

INTERNATIONAL

Herald Tribune

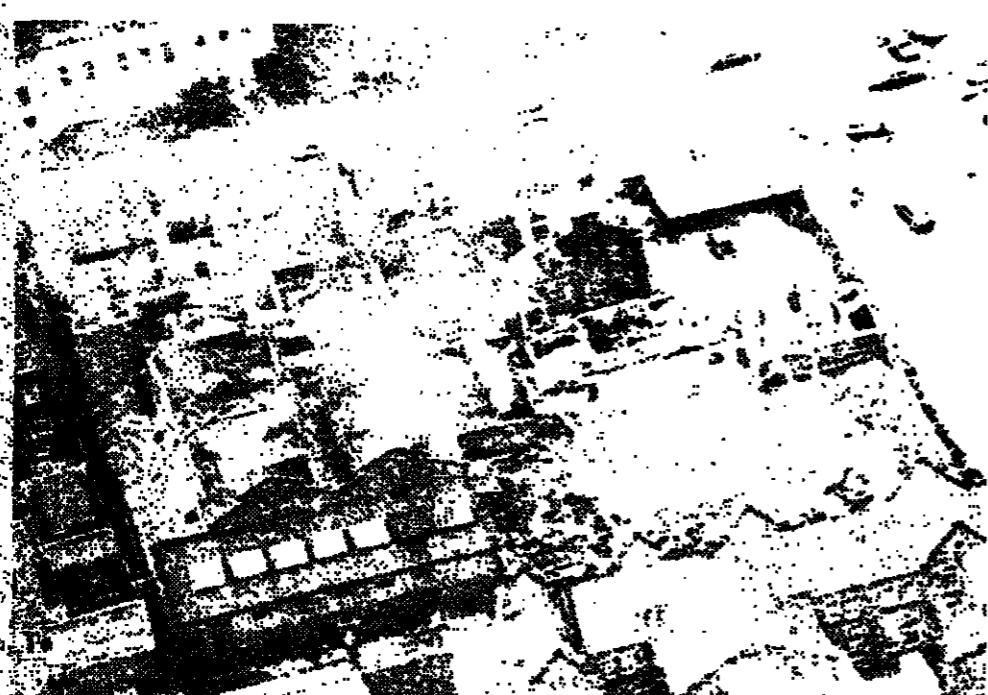
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PARIS, TUESDAY, JULY 7, 1981

Established 1887



Out remains of buildings on Upper Parliament Street, including the Raquet Club, in Liverpool's Toxteth district smoldered on Monday morning following Sunday night's rioting.

Police Reinforced in Liverpool after First Use of Riot Tear Gas

From Agency Dispatches

LPOOL — Extra police were into Liverpool on after two nights of rioting. 20 buildings were gutted and 225 policemen injured.

for the first time in England used tear gas as they up to 1,000 black and white in the inner-city area.

on remained high, and they feared more trouble. Policemen said they were forced to consider using tear gas in future riots.

"I would not like to use them, but I would not like to see the situation getting even worse," said Peter Wright, Liverpool's deputy police chief.

Helmets Demanded

The chairman of the police federation, James Jardine, demanded riot helmets to replace the "bobble" helmet, and a Conservative member of Parliament, Teddy Taylor, called for water cannons.

"Most of us did not think these kind of things could happen in our country," Prime Minister Margaret Thatcher said.

Local residents blamed high unemployment and poor housing for the outburst in Toxteth, where many black immigrant families live. "When people are unemployed for long periods without hope, this sort of thing will happen," said Hilary Hodge, a city councilor.

With unemployment about twice the national average of 10 percent of the work force, Liverpool has borne the brunt of the British recession. City surveys said unemployment in Toxteth is 37 percent.

Gasoline Bombs

Policemen were attacked with gasoline bombs, stones and sticks in the second straight night of rioting.

Blacks involved in the rioting were not immigrants, but Liverpool natives, a police spokesman said. Liverpool, 250 miles (400 kilometers) northwest of London, was an important cargo port for West Africa and the Caribbean and has had an indigenous black population for more than a century.

On Friday, 60 policemen were hurt in the Southall district of West London when white teenagers clashed with Asians and West Indians.

In Liverpool, Deputy Chief Wright said his officers "could not handle the sort of violence they were faced with. It was at a level beyond my experience."

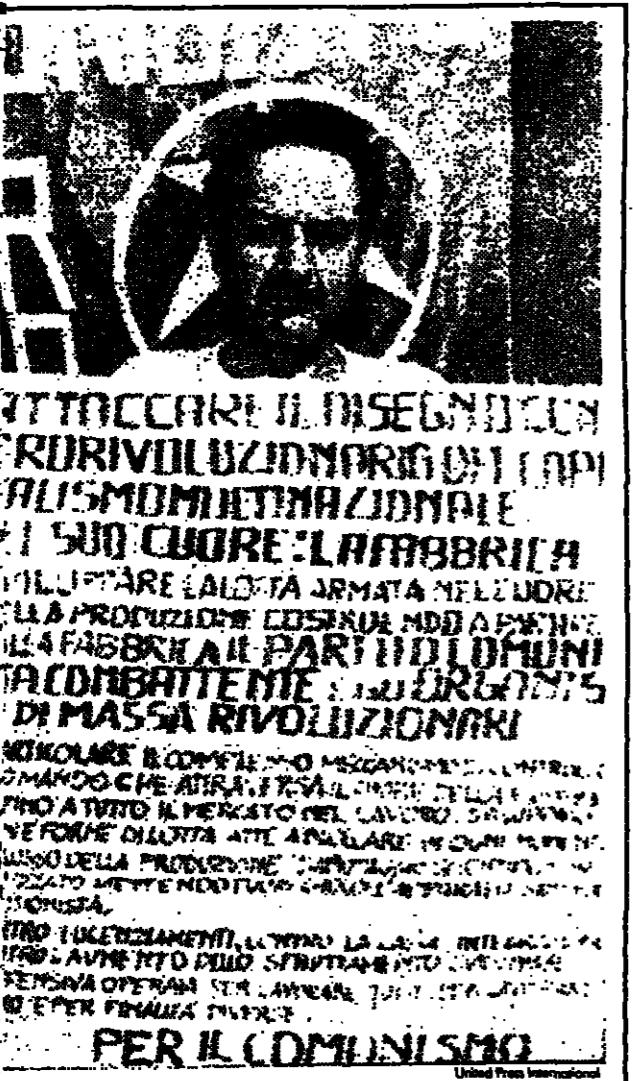
Hooligans Blamed

Bricks, bottles and glass littered the streets, and buildings smoldered. Liverpool's chief of police, Kenneth Oxford, lashed out at "hooligans hell-bent on attacking the police."

"Their fight was with us," Chief Oxford said. "This was not a race riot. The problem has been caused by a crowd of black hooligans intent on making life unbearable and indulging in criminal behavior."

Enoch Powell, a member of Parliament who 13 years ago predicted immigration would spawn "tires of blood," said, "You have seen nothing yet."

The most seriously injured policeman had a fractured skull, apparently from a flying brick. Most of the others had cuts and bruises. Police said at least 20 stores were looted, including electrical-appliance shops, a dairy and a garage.



Pepe Taliercio in picture released by his terrorist captors.

Kidnapped Industrialist Found Slain in Italy

Reuters

NICE — Police found the body of Italian industrialist Pepe Taliercio — who was seized by the Red Brigades the trunk of a car outside a chemical plant Monday. A telephone call told police he would find the body of pig Taliercio" in a car outside the Montedison chemical he directed on the main road. The body was found with 14 bullets.

The Red Brigades urban guerrilla group had claimed responsibility for abducting Mr. Taliercio. He was taken from his May 20 in front of his wife two of his five children. Theists subsequently issued six communiques, the last of which had been condemned to a people's trial for 30 s of anti-proletarian activity.

Red Brigades urban guerrilla leaders, religious leaders and another urban guerrilla said his captors not to him.

He three big labor federations called a half-hour general strike for Tuesday in protest against the terrorist, and workers in the Veneto region said would extend it to four days. Two major federations of industrial managers said their members would join the labor page. It is the first time that

the two groups have ever joined on an issue.

An official of the Communist labor federation said, "This brutal murder is in line with the Red Brigades' effort to make death an acceptable form of political struggle."

President Sandro Pertini and political leaders of all parties joined in the expressions of outrage, and Premier Giovanni Spadolini said it was a "monstrous analogy with the murder of Aldo Moro," the former premier who was slain by the Red Brigades in 1978.

Silvio Gori, a deputy director of the Venice Montedison plant, was killed in January, 1980, by the terrorist group, and the guerrillas have carried out a number of other attacks on Montedison personnel during the last five years.

The killing of Mr. Taliercio increased concern for the safety of three others. Ciro Cirillo, 60, a Naples politician, was kidnapped on April 27 in an ambush in which both of his escorts died. Renzo Sandrucci, 33, an Alfa-Romeo plant manager, was abducted in Milan on June 3. Eight days later Roberto Pedi, 25, the brother of a Red Brigades member whose evidence has led to the arrest of dozens in the organization, was kidnapped in Turin.

INSIDE

Dollar Surges

The Deutsche mark sinks to its lowest level against the dollar in almost five years and the French franc rises to a 23-year low as the dollar gains again on most foreign exchange markets. The price of gold was quoted on New York's Commodity Exchange at \$399 an ounce. Page 9.

Vietnam Blues

In Ho Chi Minh City, says a Western diplomat, "almost everyone wants to get out." Visitors to the former South Vietnamese capital find pleading notes tossed into their pedal cabs or are pulled aside and told sad stories of life under communism. Page 3.

Plan for Ulster

In Belfast, Roman Catholic mediators have drafted a plan for the settlement of the hunger strike by Irish nationalist prisoners after major concessions were made by British officials and protesting prisoners. Page 2.

Du Pont To Buy Conoco

Takeover Set At \$7.3 Billion

From Agency Dispatches

WILMINGTON, Del. — Du Pont, the largest U.S. chemical company, said Monday it has agreed to acquire Conoco, a diversified oil company with extensive coal interests in a transaction valued at a record \$7.3 billion.

The deal would create the nation's seventh-largest industrial company, Conoco, with \$18.3 billion in revenues last year, is now ranked as the 15th-largest industrial company, just ahead of DuPont (\$13.7 billion). Together, they would rank ahead of Gulf Oil and just behind Ford Motor.

The value of the merger is more than twice as large as the previous record of \$3.6 billion paid in 1979 by Shell Oil for Belridge Oil.

Conoco, the ninth-largest oil company in the United States, has been fighting a takeover bid from a subsidiary of Seagram Co. of Montreal. A Seagram spokesman said Monday that the company had no comment on the DuPont offer.

Seagram had offered \$2.55 billion for 35 million shares, or about 41 percent of Conoco.

Seagram has sued Conoco, charging it with extensive violations of U.S. securities laws. But U.S. District Judge Edward Weintraub in New York denied Seagram's motion for a temporary restraining order that sought to bar Conoco from taking certain steps, including a threatened liquidation of the company, to bar the Seagram bid.

Edward G. Jefferson, chairman of DuPont, said his agreement called for DuPont to acquire all of Conoco's stock in a two-step transaction for cash and common stock. The price tag of \$7.3 billion is based on the \$51.25 per-share closing price of DuPont stock Thursday.

DuPont said the agreement, approved by directors of both companies, calls for DuPont to make an offer for 40 percent of Conoco's 86 million common shares of \$87.50 each. In addition, DuPont will offer 1.6 of its shares for each of the remaining Conoco shares.

The agreement also gives DuPont an option to buy 15.9 million unissued shares of Conoco common stock at \$87.50 a share. The deal is intended to be tax-free to the extent that Conoco stock is swapped for DuPont shares.

DuPont said it plans to borrow \$3 billion from banks to complete the deal. A special meeting of DuPont shareholders will be called in mid-August for the final vote on the merger; Conoco stockholders also must vote on the deal.

In trading on the New York Stock Exchange Monday, DuPont and Conoco were by far the most actively traded issues. At the close of trading, DuPont was off \$4.875 to \$46.375, while Conoco jumped \$6.75 to \$76.50.

Mr. Jefferson said the proposed merger would tend to reduce the exposure of both companies to the impact of fluctuations in the price of energy and that it would further diversify DuPont's business by implication, the party leaders said.

Chairman Ralph E. Bailey of Conoco said that DuPont's sophisticated research capability would be of enormous value to Conoco. He and Mr. Jefferson said the merger would not significantly alter policies or strategic directions of either company.



Soviet Foreign Minister Andrei A. Gromyko, left, met with Lord Carrington, his British counterpart, in Moscow Monday.

Poland Sees Moscow Accepting Congress

Reuters

to the credibility of Poland as an ally and partner, despite their ideological reservations in some tendencies in Poland's contemporary political life and despite their open concern over the future destiny of Socialism in Poland, the U.S.S.R. continues to trust that the Poles will have enough strength and prudence to successfully solve their problems by themselves.

"Presumably the head of Soviet diplomacy... did not avoid discussing difficult subjects in his talks with Polish politicians and did not conceal the concern already voiced in the Soviet letter," the paper said.

Finland Grants Loan

HELSINKI (AP) — Finland granted a \$3.5-million loan to Poland on Monday to speed up exports to that country. The loan was made to finance new exports that would balance the bilateral trade that has fallen drastically because of Poland's economic problems.

The sources said that Mr. Gromyko's three-day visit, which ended Sunday, was regarded as a sign of Moscow's grudging acceptance of the congress on July 14 that should set the seal on a year of wide-ranging political, social and economic reforms.

It was also seen as an acceptance of the results of the Central Committee meeting last month, in which party leader Stanislaw Kania survived an onslaught from hard-liners. The committee meeting followed receipt of a letter from Moscow that sharply criticized developments in Poland and, by implication, the party leadership as well.

Mr. Kania accepted some of Moscow's criticism and pledged to act against "counterrevolutionary elements." But he reaffirmed his commitment to the reform process.

The official Polish press on Monday continued its low-key treatment of the visit, emphasizing that it was routine rather than emergency. The visit was reported on front pages but the communiqué was carried inside the newspaper.

The daily of the pro-Communist United Peasants Party, Dzieciom Ludow, commented:

"Our friends confirmed once again that, despite their doubts as to the credibility of Poland as an ally and partner, despite their ideological reservations in some tendencies in Poland's contemporary political life and despite their open concern over the future destiny of Socialism in Poland, the U.S.S.R. continues to trust that the Poles will have enough strength and prudence to successfully solve their problems by themselves."

Another article outlined the activities of Leszek Moczulski, a Polish dissident on trial for slandering the Warsaw government and the East Bloc alliance. The paper claimed Mr. Moczulski had spoken publicly against the "lies, injustices and totalitarianism" of the Polish Communist Party.

The article claimed the independent union movement Solidarity was seeking to undermine the Communist Party. A large number of delegates elected to the party congress are members of Solidarity.

East German newspapers also published statements by the pro-Soviet Katowice Forum, a group of hard-line party members opposed to the reform movement and the leadership of Stanislaw Kania. The forum was said to have warned that the leadership was allowing the party to be separated from its natural base, the working class.

One report said "counterrevolutionary forces" outside Poland had undertaken "permanent interference in the internal affairs of the country." It also claimed "certain forces in Poland" were working with West German and other Western intelligence agencies to undermine the Polish state.

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"We wanted to give the Soviet Union something to reflect on," Lord Carrington said. "I hope that we have, and I hope that they will. I hope that on reflection here in Moscow its merits will become clearer."

EEC Proposals 'Not Realistic,' Moscow Says

Reuters

MOSCOW — Tass on Monday night denounced a Common Market initiative on Afghanistan as a diversionary play. Soviet Foreign Minister Andrei A. Gromyko had earlier called the proposals "not realistic."

The attack by the news agency was issued only three hours after the departure of Lord Carrington, the British foreign secretary, who outlined the proposals earlier in the day to Mr. Gromyko.

The Tass report by commentator Yuri Kornilov confirmed the impression that Lord Carrington made little or no headway in attempting to overcome Soviet objections to the plan.

Earlier, emerging from daylong discussions with Lord Carrington, Mr. Gromyko told British journalists in reply to questions that everyone should "keep their hands off" internal developments in Afghanistan.

The EEC plan, which foresees a two-stage conference aimed at securing a withdrawal of the estimated 85,000 Soviet troops in Afghanistan, was the sole subject of two hours of discussions. British sources said.

"We do not consider that this proposal is realistic," Mr. Gromyko said, repeating the words "not realistic" to emphasize the point.

New Meeting Possible

Mr. Gromyko did not say whether Moscow would give further consideration to the EEC initiative, but he noted that he would probably meet Lord Carrington again in September at the United Nations.

Asked if he appreciated the EEC effort to reach a political settlement, Mr. Gromyko said it was natural that other countries should take an interest in international aspects of the Afghan issue.

"But as to internal matters..."

East Germans Blame West For 'Serious' Polish Crisis

The Associated Press

BERLIN — A week before the crucial congress of the Polish Communist Party, East Germany's state-controlled press Monday described the situation in Poland as "extraordinarily serious" and claimed Western intelligence agencies were behind much of the unrest there.

The East German press also reported recent Soviet-Polish military maneuvers, quoting the Soviet Army newspaper as saying participants had discussed the possibility of "from its natural base, the working class.

The series of articles appeared in the Communist daily, Neues Deutschland and other East German national newspapers in advance of the Polish party congress that will open July 14 in Warsaw.

The congress is expected to select a new party leadership and consider reforms that may be unacceptable to the Kremlin.

One of the East German articles said Poland was, "as before, in an extraordinarily serious situation, which is further sharpened by persistent counterrevolutionary and revisionist activities."

The article claimed the independent union movement Solidarity was seeking to undermine the Communist Party.

Another article outlined the activities of Leszek Moczulski, a Polish dissident on trial for slandering the Warsaw government and the East Bloc alliance. The paper claimed Mr. Moczulski had spoken publicly against the "lies, injustices and totalitarianism" of the Polish Communist Party.

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self, because "it gives ammunition for the government to say, 'How can we liberate these savages?'

Chief Sithole said that in his early days in his position, he was brushed aside by a white officer whom he tried to warn about the dispute. As he recalls it, the officer said: "I'm just concerned with picking up the bodies. I don't care if you kill each other."

These days, when the police come in force into the area, it is usually to interrupt the traffic in marijuana. The proceeds from the trafficking pay, in part, for the weapons that come into the area.

The warning Sithole and Zwanies are closely related by marriage, the chief said. Even now, Sithole women slip away to marry their Zwanies lovers and Zwanies women move into Sithole settlements. But the celebrations and ceremonies that are normally part of a Zulu wedding have had to be deferred.

"When the whole thing cools down, there will be lots of wedding parties," the chief said. But he did not seem confident that this would be any time soon.

"Most people are very tired," he said. "But some of these young fellows are still eager to test their spears."

S. African White Charged as Mercenary in Zulu Feud

Murder Trial Sheds Light on Modern Clan Warfare

and police sources, are prosecuting the case vigorously. They are even throwing in a couple of charges under the sweeping provisions of the Terrorism Act, which was designed to repress radical or black-nationalist movements. Indeed, the evidence that rural blacks may be able to procure arms may be relative ease seems to indicate a gap in South Africa's security system.</

Catholic Delegation Drafts Plan For End to IRA Hunger Strike

By Leonard Downie Jr.
Washington Post Service

LONDON — A settlement to end the four-month-old hunger strike by Irish nationalist prisoners in Northern Ireland has been drafted by a mediating Irish Catholic church group following significant concessions by both British officials and the protesting prisoners made in secret, round-the-clock negotiations.

The Irish Commission for Justice and Peace of the Catholic Church in Ireland has proposed making the draft public "within 24 hours in the form of a commission statement to be responded to by both sides," said a source close to the commission.

A positive public response by the British government and the prisoners could then end the hunger strike in time to prevent the death of Joe McDonnell, 30, a convicted Irish terrorist who has refused food for 59 days and is believed to have only a few more days to live if the fast does not end.

A source close to the commission said he thought movement toward a settlement "has momentum of its own now." But British and Irish government sources with knowledge of the negotiations warned that agreement could still be blocked by one or two points between the two sides or by divisions among the protesting prisoners and Irish nationalist paramilitary leaders outside the prison.

The commission's five-man mediation team was discussing the draft settlement on Monday in Belfast with relatives of the hunger strikers and leaders of Sinn Fein, the political arm of the outlawed Provisional Irish Republican Army. The mediators were then to meet again with British officials in Belfast and with the eight current hunger strikers and the paramilitary leader of 400 other convicted Irish nationalist terrorists in the nearby Maze Prison.

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The proposed settlement includes concessions by British officials that would allow the prisoners to wear their own clothes at all times, more freedom of choice in prison activities and association with other inmates, according to several sources close to the negotiations.

It also would embody concessions publicly made by the Irish nationalist prisoners during the weekend that they were no longer seeking special political prisoner status. A statement on their behalf said that they were now seeking changes in conditions for all prisoners in Northern Ireland without challenging or eroding the government's authority in the prison.

"We've made a number of commitments of changes that could be made after the hunger strike ends and we honor our commitments," the source said. "We keep making concessions and they're not giving any ground."

Other sources pointed to movement on several key issues by the Catholic Irish nationalist prisoners in their weekend statement, particularly their contention that they are not seeking free run of the prison or treatment different from other prisoners, including several hundred convicted Protestant terrorists also serving sentences in the Maze.

The protesting Irish nationalist prisoners' five specific demands have been to wear their own clothes; be exempted from prison work; associate freely with other nationalist prisoners; receive more mail and visitors; and be restored lost time off for good behavior.

Housekeeping

British officials have now agreed to allow prisoners to wear their own clothes at all times, rather than just during leisure hours, according to the sources. Prisoners in the Maze have been required to wear prison-issued civilian clothes during work hours.

The protesting prisoners said in their weekend statement they are willing to "engage in any activity which we define as self-maintenance" and "self-education," references to prison housekeeping chores and education and training programs. British officials have offered greater flexibility in deciding what each prisoner will do, but it is unclear whether some industrial prison work would still be required by the authorities or accepted by the prisoners.

The protesting prisoners also scaled down their demand for freedom of association, from 100 or more prisoners at a time to the 25 housed in one wing of each of the H-shaped buildings inside the high-security prison. "We do not envisage ourselves running around the block in large numbers," the prisoners' statement said, and supervision by the authorities "need not be restricted."

Mr. Spadolini, a Italian's first since 1945 as a direct result of the P-2 scandal. The previous Cabinet, led by Arnaldo Forlani, was forced to resign in May after three ministers were linked to the lodge.

Later Monday, Mr. Spadolini outlined his government program at a meeting of the council of ministers. He said he would give priority to fighting terrorism, inflation, and corruption in public life.

Spadolini Orders Disciplining of Members of P-2

The Associated Press

ROME — Premier Giovanni Spadolini ordered all government offices Monday to take immediate disciplinary steps against public employees who belong to the secret Masonic lodge, *Propaganda Due*, or P-2.

The measures will include fines and transfers to other posts. About 260 public officials have been named as members of the secret lodge, which is under investigation as a criminal association.

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Giuseppe Tafiercio's body as it was found in the trunk of a car near Venice. Story, Page 1.

Confident Begin Confers With Dayan, Issues New Warning on Syrian Missiles

The Associated Press

TEL AVIV — Prime Minister Menachem Begin, after telling his Cabinet there is no longer the slightest doubt he will continue as Israel's leader, met Monday with Moshe Dayan in negotiations for a coalition government.

Mr. Begin invited Mr. Dayan to see him with election results showing the Likud bloc leading Shimon Peres' opposition Labor Party by one seat, 48 to 47, in the 120-member Knesset.

Meanwhile, Mr. Begin said on American television that the Likud government's vow to remove the Syrian anti-aircraft missiles from Lebanon by force if necessary is a matter of national consensus.

The Syrians put the missiles in place a day after Israeli jets destroyed two Syrian helicopters over Lebanon in April. "We could destroy them in two minutes," Mr. Begin said of the missiles, but he said it had not been done out of respect for U.S. diplomatic efforts.

Mr. Dayan was understood to be demanding some sort of post that would involve him in the issue he believes he knows best — peace talks with the Arabs, the 14-year-old occupation of the West Bank and Gaza Strip and relations with the United States.

The newspaper Davar reported that Mr. Begin had asked Interior Minister Yosef Burg, leader of the National Religious Party, whether he would accept a vice premiership and give Mr. Dayan his present job of Israeli negotiator in talks with Egypt and the United States on Palestinian autonomy for the West Bank and Gaza.

Mr. Dayan, a 66-year-old former general, quit Mr. Begin's government nearly 18 months ago to protest handling of the autonomy negotiations. In a prepared statement read after the meeting, Mr. Dayan said the discussion centered on the

cause of the time she has been confined.

Peronist sources said they had chartered a plane to take the former president to Panama, where she had been invited to stay by former Panamanian President Omar Torrijos.

Last week she was visited by her Spanish friend, Pilar Franco, who said Mrs. Peron would accompany her to Spain as soon as she was freed.

Pilar Franco is the sister of the late Spanish dictator. The two women became friends during Mrs. Peron's long years of exile in Spain with Juan Peron.

Meanwhile, two gunmen Monday killed the governor-general of the Caspian coast province of Gilan and his driver and seriously wounded his deputy, the radio said.

Government spokesman Behzad Nabavi said he expected further violence in Iran as counterrevolutionaries try to disrupt presidential elections scheduled for July 24.

Twenty-three of the executions overnight were in Tehran's Evin Prison, three were in Sari, near the Caspian coast, and one was in the northwestern city of Tabriz.

The death toll was among the highest for one night since the revolutionary authorities began putting their opponents before firing squads after the 1979 revolution. The latest executions brought the total to about 130 in 16 days.

Bani-Sadr Warned

[Mohammed] Bani-Sadr, an Islamic revolutionary judge, warned Sunday that the fugitive former president, Abolhassan Bani-Sadr, should "repent" during the holy month of Ramadan or face execution, the Associated Press, monitoring Tehran Radio, reported from Beirut.

"Bani-Sadr deserves execution," Mr. Gilani said. "But because of the holy month of Ramadan, he can return to the Imam's fold and repeat. He will then get the Imam's pardon. Otherwise, he will be subject to the people's penalty, which is execution."

[Mr. Gilani said authorities have no word on Mr. Bani-Sadr's whereabouts. But Kurdish opposition sources said he was hiding in the northern region of Kurdistan province near the Turkish border.]

The latest crackdown began after supporters of the Mujaheddin (People's Crusaders) guerrilla group, angered by moves to oust Mr. Bani-Sadr, clashed with pro-government supporters in Tehran and other cities more than two weeks ago.

Since then, several hundred members of leftist groups have been arrested and dozens have been executed.

A Majlis deputy for Tehran, Farhikhteh Hejazi, called for further punishment of "the enemies of Islam" in a speech Sunday.

"Why does the revolutionary prosecution-general not punish the enemies of Islam and those waging war against God? Why do we no longer hear shots from Evin Prison aiming at the hearts of those who have sprayed the hearts of the people with bullets?" he said.

The state radio said that the

United States asked that no name be released until identification tests are completed. The return of the remains brings to 74 the number of bodies turned over to the United States by Hanoi since the Paris peace agreement in 1973. More than 2,500 American servicemen are still considered missing in action since the Vietnam War.

The remains of the three military men, who have not yet been officially identified, are the first Vietnamese to return to the United States since October, 1978.

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Ho Chi Minh City, finding a Way Out is a Preoccupation

Reuters

HO CHI MINH CITY — There is a joke in this city that telephone poles are living trees.

Everyone wants to get Western diplomats said. "As I am alone with someone, what help is made." People are bombarded with some containing months of asking that they speed to the right authorities. Visiting notes tossed into cables or are pulled aside sad stories of life under socialism.

U.S. employers are faced with a legion of complaints. In a crackdown, bookstalls disappeared and Western music was taken from the few remaining houses. Taxes on the clothes were raised and they had to close, according to sources.

There is nowhere to go but the Russian East German, — sometimes the young woman said, "nothing to do."

There holds a Saturday where government-apartments are popular foreign men, but usually sets are silent long before night curfew.

lain, 4 Hurt New Wave of Murders in N.Y.

New York Times Service

YORK — Two men were killed at least four men were wounded in Manhattan last night and early Monday in a series of apparently unprovoked attacks by a gang of knife, police said.

The other was killed near Ipanema Station.

six victims were believed to have been attacked by the same man who slashed eight homeless

Manhattan late on June 28, a spokesman said. "It's the type of situation," he added.

aid the man the police were for been described as a 175-pound black male with black and white.

ough none of those attacked ago died, seven of them re-hospitalization, and the was treated and released.

Although there is grumbling about travel restrictions — each trip outside Ho Chi Minh City, formerly Saigon, requires formal permission — most of the complaints are about money.

"For about 90 percent of the people who want to leave, the reasons are economic," a diplomat said. "Some say they want to go for their children's educational future; others complain about health care."

The government does grant exit visas, mostly to people who cannot earn their own living or who the authorities feel will never be integrated into the new society, diplomats said. Most of those allowed to leave are of Chinese origin or are elderly.

About 6,500 people left Ho Chi

Minh City legally last year for

North America, Australia and Eu-

rope under orderly departure pro-

grams, the sources said. "But twice

that number slipped out by boat

last month alone," one added.

The goal of doubling the num-

ber of orderly departures in 1981

still puts barely a dent in the con-

tinuing flow of boat people to

neighboring Asian countries.

Many Vietnamese make several

attempts to escape, at a cost of

\$2,000 or \$3,000 each in bribes to

junior officials, only to face a new

set of perils if they reach the open

waters in the boats, often ill-

equipped.

But people in Ho Chi Minh City who tell of relatives lost at sea seem undeterred in their own es-
cape plans. Some have made five or six attempts only to be betrayed by someone they had paid off.

"Even among the boat people,

there are few who fit the classic

definition of a refugee as someone

fleeing his country because of a well-founded fear for his safety," a diplomat said. "The Vietnamese seem to feel that they have a right to resettle and that the West, and especially America, should respect that right."

Diplomats say that their warn-
ings of the hardships of resettle-
ment go unheeded. "This is the

tragedy — most of the Vietnamese

have no idea of life abroad," a dip-
lomat said. "I try to warn them,

but their reaction is: 'You don't

have the right to tell me to stay

here. You don't understand the

situation."

The diplomat added, "My an-
swer is that they don't know the

situation abroad. They are sent a

photo of a relative standing in

front of a car, which probably

doesn't belong to him, and then

telling of jobs, houses, purchases.

No emigrant is ever going to admit

to those left behind that he made a

mistake."

JULY 7, 1981



NEW DELHI PROTEST — Cane-wielding policemen wrestled with a protester outside the residence of Indian Prime Minister Indira Gandhi on Monday. About 1,000 construction workers marched on her home to demand higher wages. When they were turned away by policemen they began throwing stones. Several policemen and workers were injured.

China Declares End to an Era of Turmoil; General Urges Absolute Loyalty to Party

United Press International

PEKING — The Chinese Com-

munist Party has written the end

to the era of national turmoil, and

Yang, Deshi, the armed forces

chief, joined in by saying that the

military must be absolutely loyal

to the party and its new leadership.

An editorial Monday in the Peo-

ple's Daily, the party newspaper,

said that the era of turmoil is end-

ed and the period of hesitancy is

over. It added: "We can say good-

bye to the past."

The newspaper said the ultimate

question of evaluating Mao was re-

solved at the sixth session of the

Central Committee last week. The

party during the past two years has

been doing what Mao proposed but

never accomplished, correcting

things he opposed wrongly and

trying to do well what he failed to

do, the editorial said.

The sensitive issue of Mao is a

central political question that af-

fects the entire situation in China,

the editorial said. It added, "Com-

rade Mao Tse-tung and Mao Tse-

tung thought are inseparable from

our party's history and the future

of the Chinese revolution."

It was perhaps the question of

Mao's place in Chinese history

that led the chief of the general

staff of the People's Liberation

Army to appeal for such unques-

tioning obedience from the mili-

tary toward the party. The army

cannot survive if it departs from

the absolute leadership of the par-

ty, Gen. Yang wrote in the Peo-

ple's Daily.

He noted, without listing them,

that three major attempts to use

the military to seize power in the

past had been shattered.

"Any thought or deed that tries

to weaken or eliminate the party's

absolute leadership of the army is

extremely harmful and must be re-

solutely opposed," he said. His re-

minder to four million soldiers

that "the party commands the

gun" came while the new chair-

man, Hu Yaobang, is still consol-

ating his power.

Mr. Hu took over from Hu

Guofeng, who Mao chose as his successor. Segments of the military, stanchly loyal to Mao are known to have reservations about the change, which was ratified by the sixth plenum last week.

China, Singapore Set to Exchange Trade Officials

Reuters

SINGAPORE — China and Sin-

gapore will formalize their growing

trade relations next month by ex-

changing commercial representa-

tives, officials said Monday.

China is to send two officials to

Singapore, and Singapore will

open an office in Peking on the

same date, yet to be fixed, the offi-

cials said. The countries have no

diplomatic relations, but trade be-

tween them has more than doubled

in 12 years, from \$260 million in

1968 to \$640 million last year.

Last year, Singapore showed a

willingness to aid in China's mod-

ernization program by signing a

memorandum of understanding on

cooperation in engineering.

China's exports to Singapore,

mainly textiles and foodstuffs,

amounted to \$325 million last

year. Singapore's exports to China,

including rubber, radio and tele-

vision sets, fertilizer and engineering

equipment, were worth \$315 mil-

lion. Two Chinese banks and a

dozen Chinese commercial centers

operate in Singapore.

By Raymond Bonner

New York Times Service

LA BERMUDA, El Salvador — A 9-year-old girl in a white dress used one hand to steady a wicker basket stuffed with six chickens on her head. With the other she clutched the hand of her 3-year-old sister. Their dirty faces were freckled with grins.

Shirtless men sweated under the weight of crude wooden beds. Women carried stone slabs for grinding corn for tortillas. A teenage girl walked lightly in spite of a heavy load on her head, a rolled straw mat in her left hand and in her right hand a saucer-shaped piece of metal charred by the open fires on which it had been used for cooking.

The army arrived at this small refugee camp about 18 miles northeast of the capital early Friday morning and were forcibly moving the people. It is an area of

intense guerrilla activity. The captain in charge grew irritated when four reporters arrived late in the afternoon as old men, women and children and their few possessions were being loaded onto several trucks. He allowed pictures but admonished the reporters not to talk with refugees.

Several soldiers said there were more than 2,000 living in the makeshift huts of tin and sticks. They said the army wanted the refugees out because an operation was planned in the thickly foliated hills, filled with guerrillas. The camp would be a base.

A young woman holding an infant said that the army had come to the camp twice before, late in April and late in May. They took away eight people the first time, 30 the second, she said. She turned away quickly when two soldiers appeared around the corner of the long Spanish-style hacienda.

Revolutionary Slogans

The building's white walls were spray-painted with slogans of revolutionary groups.

"We didn't know they were coming," said an old man, struggling with a wheelbarrow weighed down with a burlap sack of corn.

"We don't want to leave." About two weeks ago the people planted corn. They were also growing vegetables on about eight acres.

Last year, Singapore showed a

willingness to aid in China's mod-

ernization program by signing a

memorandum of understanding on

cooperation in engineering.

On Friday, soldiers manned a

recoilless rifle mounted on top of a

low rock wall. A sergeant sat on a

wobbly chair, an Israeli-made Uzi

submachine gun resting on his

stomach. Other soldiers patrolled the camp and some helped the

people. Members of the Green

Manuel Urrutia, 81, Dies; Former President of Cuba

From Agency Dispatches

NEW YORK — Manuel Urrutia, 81, the first president of Cuba after the revolution that brought Fidel Castro to power, died Sunday. He had been ill with a liver ailment.

Mr. Urrutia, a former judge, was named president of Cuba on Jan. 2, 1959, by Mr. Castro. But a month after he took the oath of office, Mr. Urrutia was reduced to a figurehead when Mr. Castro made himself premier.

OBITUARIES

In July 1959, Mr. Urrutia set the stage for his own downfall when the chief of the Cuban Air Force, Maj. Pedro Luis Diaz Lanz, defected to the United States and said Cuba was going Communist. Mr. Urrutia denounced Maj. Diaz Lanz in a television speech, but he also denounced Communism. Mr. Castro put him under house arrest, and he was later replaced as president by Osvaldo Dorticos, a Com-

Guatemala Shootout

Kills 6 Bystanders

The Associated Press

GUATEMALA CITY — Seven persons, six of them bystanders, were killed in a shootout in the northeastern part of the capital, police said Monday.

Police said those killed Sunday included the director of a private security organization, the apparent target of the assault.

Communist lawyer. In 1963, Mr. Urrutia went into exile in the United States, where he became a university professor.

Yevgeny Kharitonov

MOSCOW (NYT) — Yevgeny Kharitonov, 40, one of seven Soviet writers whose efforts to form an experimental literary workshop led to clashes with the authorities last year, died of a heart attack June 29, literary sources reported.

The sources said that Mr. Kharitonov collapsed and died as he walked on Pushkin Street, near the center of Moscow, after he had worked all night on a new play.

Mr. Kharitonov was neither a member of the Union of Writers nor a political dissident; he made no efforts to emigrate and held a job only to make enough money to enable him to write. His works included a novel, short stories, free-form poems and plays.

Mr. Kharitonov clashed with authorities only when he joined the six other writers last November in an attempt to have the Moscow City Council sponsor a literary club where younger Soviet writers could hold readings and publish their works in an "experimental," limited-edition periodical. The official response was a series of arrests and searches, and the group abandoned the project.

Charles Dolfus

PARIS (Reuters) — Charles Dolfus, 88, the first Frenchman to



Manuel Urrutia

cross the Atlantic Ocean both ways in an airship, died here Friday, a family spokesman said.

Mr. Dolfus first became interested in balloons and airships when he was 18. He made his historic Atlantic crossing in 1932. He also wrote a history of aviation and in 1918 founded the Paris Aviation Museum.

Violet Heming

NEW YORK (AP) — Violet Heming, 86, an English-born actress whose career in the American theater started in 1908 and lasted 50 years, died Saturday.

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French Trawler Is Seized By U.K. Navy After Chase

The Associated Press

GRIMSBY, England — The captain of a French trawler was under arrest in this east coast fishing port Monday after a 30-hour chase by two British Navy fishery protection vessels and a helicopter, the police reported.

The trawler Jean Mermoz from Boulogne — with a British boarding party on board and its captain, Jean Blainfaix, barricaded in his own wheelhouse — was involved in a slight collision with the protection vessel Alderney while turning sharply in an attempt to flee the Alderney and get back to France.

"The situation was unpleasant and very tense," said Lt. Simon Lambrook, first lieutenant of the 1,260-ton Alderney.

The boarding party from the Alderney, lead by Lt. Lambrook, had gone aboard the 250-ton Jean Mermoz on Saturday while the trawler was 80 miles northeast of here because the British officials suspected the Jean Mermoz might be using illegal fine-mesh nets.

While they were aboard, Capt. Blainfaix locked himself in his wheelhouse, suddenly started his engines and got under way.

The Alderney and the Jersey, another British fishery protection vessel, and a naval helicopter gave chase. "There was no violence and eventually the French skipper stopped," Lt. Lambrook said.

At one stage in the chase, other French trawlers tried to prevent the seizure of the Jean Mermoz by getting between the trawler and the Alderney, he said.

The trawler was put under guard on arrival at Grimsby.

A spokesman for the British Ministry of Agriculture and Fisheries said that the trawler's nets would be checked Monday and that the smaller would decide whether to prosecute the captain.

The smaller the mesh of a net, the smaller the size of the fish caught in it. Catching immature fish depletes fish stocks.



The Associated Press
The British Navy vessel, Alderney, top, collides with the French trawler, Jean Mermoz, as the French ship made a run for France with a British boarding party on deck.

U.S. Congress Study Criticizes Thatcher Monetarism

By Hobart Rowen

Washington Post Service

WASHINGTON — The highly conservative economic policies of Prime Minister Margaret Thatcher of Britain, focusing on strict and supply-side theory, resulted in the worst recession since World War II," according to a staff study released Monday by the Congressional Joint Economic Committee.

The study acknowledged that in Britain has slowed, "but at a cost in terms of unemployment." The unemployment rate is now 11 percent with the 2.5 million out of likely to reach 3 million, according to British sources.

Central Conclusion

Se critical comments on the monetarist policies were part of a anti-inflation, anti-recessions of the past decade in West Germany, France and Sweden. It was directed by K. Galbraith of the committee.

central conclusion of the is that monetarism — the reliance on the growth of the supply to control inflation a waning force in Europe." The theme is that selective policies are playing an in-

creasingly decisive role in strategies for long-term industrial adjustment, even in France and West Germany, which according to conventional views are successful because they are free-market oriented.

A JEC press release said that 140 individuals in the four countries were interviewed, including senior treasury officials, central bank officials, and businessmen, bankers, and others in the private sector.

Countries such as France and

West Germany that have had the most success with long-term industrial strategies have depended heavily on selective credit policies, according to the report. Even the former government of President Valéry Giscard d'Estaing in France, the monetarist experiment has proved difficult — if not impossible — to put into effect, although the consequences of trying have been severe." West German authorities, according to the JEC report, recently have de-emphasized the use of monetary targets.

Countries such as France and

West Germany "is, in fact, far from" an unregulated free market economy, the report said. The West German central bank pursues its monetary targets as part of a coordinated strategy that involves government guidance on wages and prices. Beyond that, cooperation rather than confrontation between West German labor and management has helped productivity growth, the report said.

Customs said that under the Trading With the Enemy Act of 1917, goods that are exempt from the U.S. trade embargo against Cuba cannot enter the country unless the importer has a license issued by the department's Foreign Assets Control Office.

Dennis M. O'Connell, director of the office, said the term "enemy" does not apply to Cuba. He said the section of the act that covers the trade embargo against Cuba relates to the national emergency that has been in effect since the embargo was declared in 1962.

A Treasury official said that Customs officers would check to see whether the addressees possess licenses.

Wholesale Prices Rise

LONDON (Reuters) — The monthly rise in Britain's wholesale prices accelerated to 0.8 percent last month from 0.6 percent in May, but was below the 1.4-percent increase in April. Department of Industry figures show. The prices are up 9.95 percent from a year ago.

Treasury, Citing 1917 Law, Blocks Delivery in U.S. of Cuban Journals

New York Times Service

NEW YORK — The Treasury, citing a World War I-era law that bars trade with certain foreign countries in the event of a national emergency, has ordered Customs officers to block the delivery of about 30,000 copies of Cuban journals addressed to people in the United States.

The publications include Gramma, the newspaper of the Cuban Communist Party, and Bohemia, a monthly journal. Since May, a

monthly journal. Since May, a

50 on Spain Bus Injured

The Associated Press

LERIDA, Spain — About 50 persons were injured as a bus carrying them from Lerida, northeast Spain, to Andorra rolled about 65 feet (about 20 meters) down a ravine Sunday.

is have been detained in Boston, where they arrived by way of Montreal.

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Burden of Cut in British Naval Strength Expected to Fall Primarily on the U.S.

By Drew Middleton

New York Times Service

NEW YORK — The British Navy, starting next year, will send a squadron built around an aircraft carrier to the Indian and South Atlantic oceans as a potential reinforcement for U.S. forces in those areas.

At the same time, however, Britain will reduce the number of destroyers and frigates assigned to NATO from 59 to what the British defense secretary, John Nott, said would be "about 50."

The burden of compensating the British for the nine British surface ships is expected to fall chiefly on the United States at a singularly inopportune moment. For although the Reagan administration's military budget envisions an expansion of the surface fleet, the ships are unlikely to be available for three years.

The British government, Mr. Nott said in the House of Commons recently, intends to build a new, less expensive class of frigates, the Type 23s. But some naval sources in London doubt that work will begin on these ships for two years and believe that, meanwhile, there may be further cuts in the number of surface ships.

In the interim the U.S. Navy, in company with Britain and other NATO countries, will be forced to patch together a credible force that will be able to perform the missions that in the past were assigned to the British Navy.

Credible Force

The most important NATO component of the British Navy was Antisubmarine Warfare Group 2, originally composed of an aircraft carrier and 14 escort ships. The group's mission was to perform anti-submarine and anti-aircraft escort duties for a NATO striking force, largely U.S., that would contest a Soviet advance into Norway and bomb targets in the Kola Peninsula, where most of the Soviet northern fleet is based.

A second group of British ships was assigned to protect merchant vessels and troop transports from North America once they entered the East Atlantic. Between 8 and 10 escort ships and an aircraft carrier were to be assigned to this role.

Seven surface ships would be required to escort the British and Dutch marine forces that would land in Norway to reinforce local troops fighting a Soviet invasion. Finally, up to 12 escorts would be needed to clear and patrol the mouth of the English Channel to meet the expected submarine threat.

Mr. Nott believes that, in time, some of the anti-submarine potential of the British Navy's surface ships can be made up by increasing the total of Nimrod long-range surveillance aircraft from 31 to 34 and by equipping the planes with

the long-range Sting Ray torpedo for use against submarines and an air-launched missile for operation against surface vessels.

These deployments are unlikely to satisfy NATO naval authorities or counter the psychological shock

the Providence of God, that the safety, honor and welfare of this realm do chiefly attend."

As naval warfare has evolved since 1945, the navy has been represented in popular opinion by the aircraft carrier. Now the new military plan calls for keeping in service only two of the three aircraft carriers of the new Ark Royal class and phasing out an older carrier, the Hermes.

U.S. sources doubt the realism of Mr. Nott's plan to deploy a carrier battle squadron in the Indian and South Atlantic oceans and at the same time employ another carrier for NATO service.

The Americans are shaken because they see the U.S. Navy's responsibilities increased in the Atlantic at a time when the fleet has added new responsibilities in the Indian Ocean and when the Soviet naval presence in the Western Pacific is growing.

International Herald Tribune

We've got news for you.

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MAXIMUM
RETURN
ON
TIME
INVESTED.**

International Herald Tribune

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ARGENTINA

PRISONERS OF CONSCIENCE

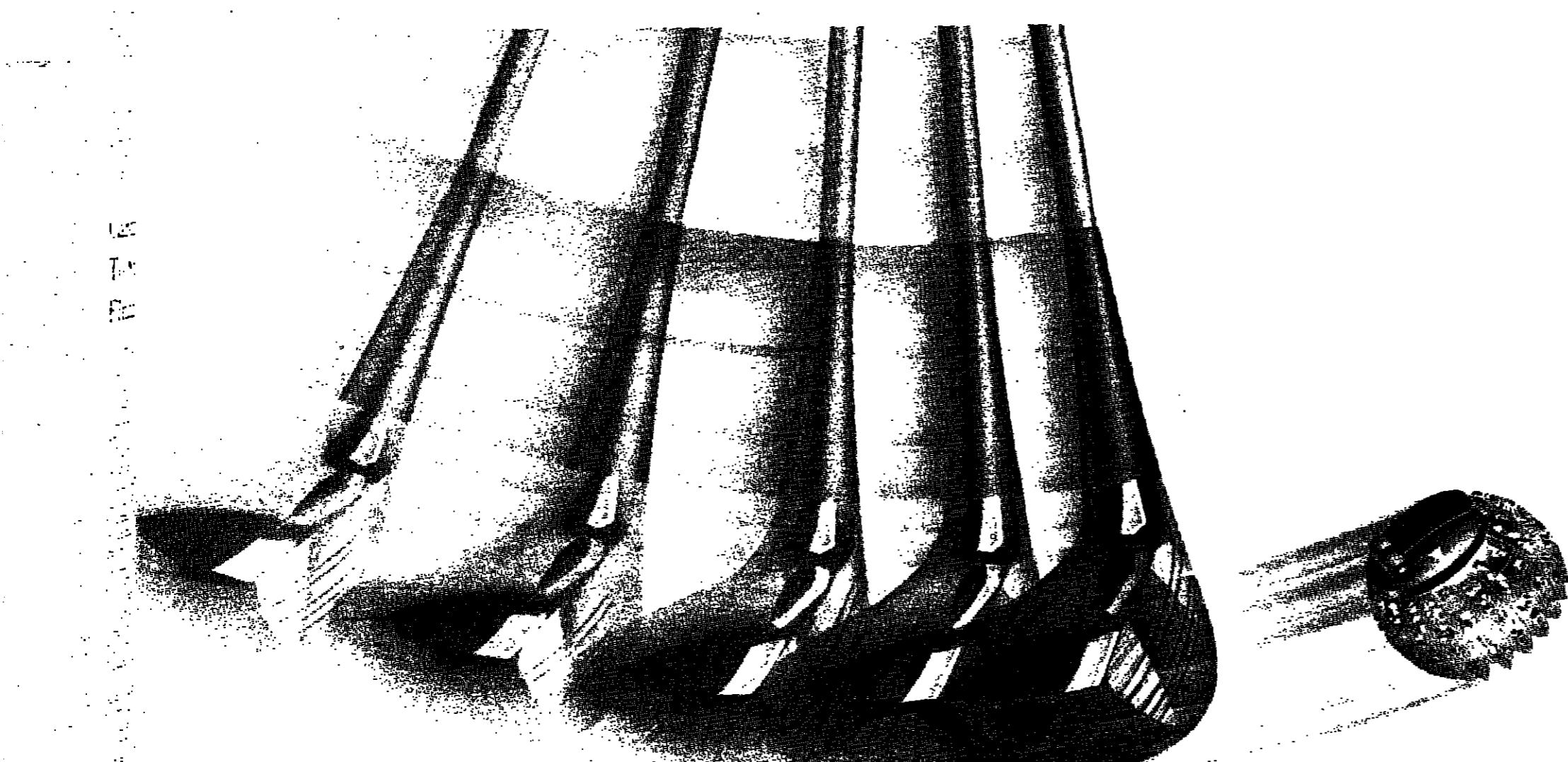
Gabriel Oscar MAROTTA

Born February 2, 1949. Arrested without charge and imprisoned without trial April 29, 1976. *Ordered released October 14, 1976, under Decree 2441. Continuous imprisonment until the present. Now held in the Prison of La Plata, Unidad Penitenciaria N° 9.*

Juan Carlos Lopez OSORNO

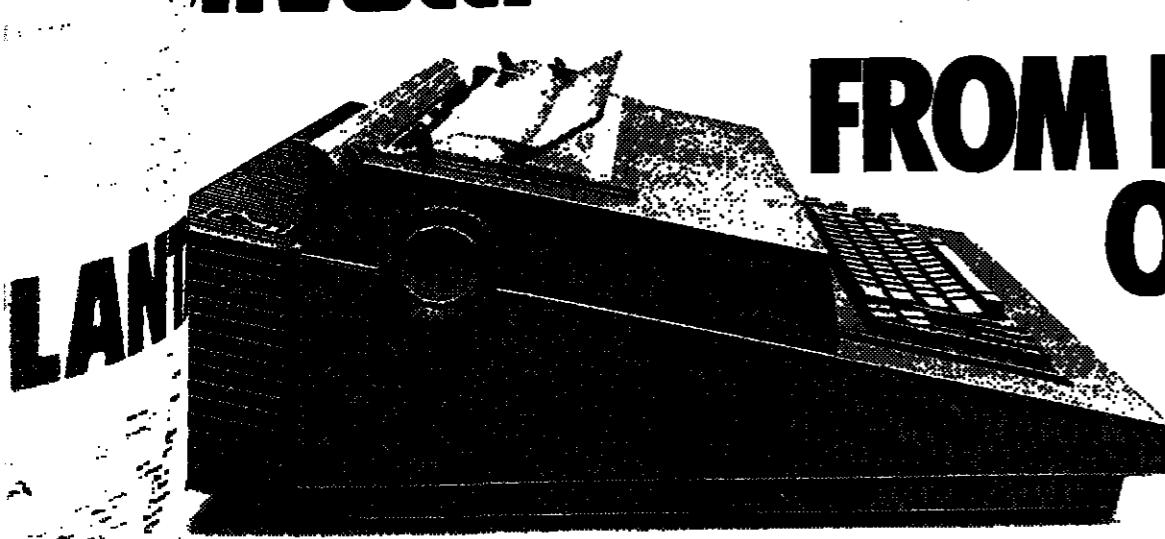
Born July 7, 1934. Arrested and imprisoned March 22, 1975. Tried and acquitted December 1976. Continuous imprisonment until the present. Now held in the Prison of La Plata, Unidad Penitenciaria N° 9.

In honor of the Argentine National Holiday July 9, Group 97 of Amnesty International U.S.A. asks that these PRISONERS OF CONSCIENCE be released without condition or granted Right of Opinion to leave Argentina under provisions of the Poder Ejecutivo Nacional.



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A European Messenger

Gaston Thorn, president of the European Commission, will go to Washington next week to brief President Reagan on the anxieties of European leaders about the direction of U.S. foreign, economic and military policy. In an interview with International Herald Tribune correspondent Joseph Fitchett, Mr. Thorn gave what could be taken as a minimal consensus of the thinking of EEC leaders as expressed at their meeting in Luxembourg last week. If Mr. Thorn's presentation to Mr. Reagan roughly follows the line indicated in the interview (IHT, July 6), it will fall short of confrontation, but not by much. Mr. Thorn said that European patience was not yet exhausted, but his tone gave little doubt that what remains is limited.

The central problem should come as no surprise to anyone who listened to Mr. Reagan campaign and believed that he meant what he said. It is that Mr. Reagan is pursuing a Soviet-centered foreign policy, which has a skewing effect on almost everything else, and that his domestic priorities and his political skill allow him to trade off major increases in defense spending for major cuts in other government programs. European leaders do not share the Reagan foreign policy optic, with the exception of Britain's Margaret Thatcher; they do not share many of his domestic policies, again with the exception of Mrs. Thatcher, and, without exception, they do not share his mandate.

They argue that it is time for President Reagan to demonstrate that he understands the difference between his situation and theirs and that he recognizes the importance of helping them meet their economic and political needs. "Americans must understand."

Mr. Thorn said, "that whatever they do in the United States, it will never be possible in Europe for politicians to dissociate defense from economic security."

Specifically, the Europeans are concerned about U.S. policy on development aid, which affects the ability of Third World countries to buy European manufactured goods; U.S. policy on East-West trade, which is more important to Europe than it is to the United States; high U.S. interest rates, which are driving up European rates and hurting European economies, and the spillover from U.S.-Japanese trade accommodations. The argument is, if you help us in these economic areas, it will be much easier for us to help you in the security area.

Mr. Reagan can be expected to argue that U.S. policies on these questions are linked to principle and ideological purity. To which Mr. Thorn can be expected to reply: "What was the principle involved in dropping the Soviet grain embargo?" Or, "What happened to the principle of free trade in the protectionist deal you cut with Japan on auto imports?" At which point the gloves come off? Probably not. That is more likely to happen at the Ottawa economic summit later this month when Mr. Reagan's interlocutors will include West German Chancellor Helmut Schmidt and French President Francois Mitterrand. Irrespective of the merits of the U.S. and European positions, some compromises will have to be worked out if a serious inter-alliance wrangle is to be avoided. That will require the presence of Ronald Reagan the politician and communicator.

INTERNATIONAL HERALD TRIBUNE

More Dogma From Peking

Five years after his death and fifteen after he ignited the madcap Cultural Revolution, Mao Tse-tung has finally been pulled from an already-cracked pedestal. The demigod is decreed mortal after all: a brilliant revolutionary but a bumbling theoretician who couldn't distinguish good Marxists from Capitalist Roasters, and mistook right for wrong and the people for the enemy.

Yet for all the apparent boldness of this Communist Party statement, it begs the obvious question: Was it really Mao who failed, or the system?

Give Deng Xiaoping his due. Mao's successor has opened a once-hermetic society to some fresh air. With other pragmatic-minded colleagues, he hopes for a "period of peaceful development." They want no recurrence of Mao's 10-year "cultural" upheaval, which tore like a typhoon through every Chinese institution, let loose rival gangs of Red Guards, turned professors into peasants and hunted traitors even in the Politburo. The new leaders promise a milder rule, dedicated to economic development.

But while they feel secure enough to downgrade Mao, his successors can think of nothing better than Maoism for settling scores. Like the Great Helmsman, they deny the legitimacy of any doctrine opposed to their own. Like him, they profess to welcome criticism but could not tolerate even the modest experiment at Peking's "Democracy Wall."

The contradiction is obvious even in the new Mao indictment. It condemns one of his followers, Hua Guofeng, who until the day before served as party chairman. And what was one of his major sins? "Two-whatever" — claiming that "We firmly uphold

whatever policy decisions Chairman Mao made, and we unwaveringly adhere to whatever instructions Chairman Mao gave." As if whatever this means is not now doctrine.

Corruption and inefficiency are endemic in such a system. Heads may no longer be lopped from a hundred blooming flowers, and that is an obvious improvement. But the party still contends that "scientific" Marxism makes it infallible — at least until history is again revised.

That the once-infallible can be destroyed only in a newly infallible voice gives every such statement only transient political value.

As history, it should be no less suspect than last year's. Mao's sins are asserted, not proved. A pragmatist, the late Chou En-lai, is canonized as Mao's expense, but that is merely an expression of current purpose.

What Communists generally cannot bear is free and independent inquiry even into their own exciting past. Tellingly, Mao's widow, Jiang Qing, one of the disgraced Gang of Four, turned to an American scholar to preserve her version of events.

Mao's successors would have us believe that a single misguided ruler and a few sycophants loosed the furies of the Cultural Revolution. Soviet apologists made similar claims about Stalin. Too often, gullible Westerners have believed them.

As an instrument of policy, the new Chinese document signals a sharp turn toward sanity. As history and philosophy, it only proves that China's Communists remain afraid and intolerant of free inquiry. Hold up the celebrations until Chinese texts bloom with a hundred Maos.

THE NEW YORK TIMES.

Nuclear Deal With Egypt

The signing of an agreement for nuclear cooperation between the United States and Egypt evoked a mixed reaction. The specific provisions of the agreement are, as Secretary Haig said, a "model" for such agreements under existing U.S. law and international arrangements. They authorize only the transfer of power reactors and low-enriched, non-weapons-grade uranium. They require safeguards on all of Egypt's nuclear facilities, whether those facilities were provided by the United States or by others. They forbid reprocessing — which yields plutonium — in Egypt. And they go about as far as the terms of such an agreement can to ensure that no American supplies can be used directly or indirectly to make nuclear weapons. All this is to be admired.

Yet there are issues other than the technical ones raised by this new agreement. One is whether the Israeli raid on Iraq's reactor should not first have prompted a serious reconsideration of the wisdom of introducing nuclear technologies into the Middle East at all, and the possible alternatives to doing so. The other is whether the weaknesses in the international safeguards system revealed in the wake of the raid would not have made this the ideal time to postpone any further nuclear transfers, at least until the loopholes could have been closed and the system's many vulnerabilities corrected.

THE WASHINGTON POST.

In the International Edition

Seventy-Five Years Ago

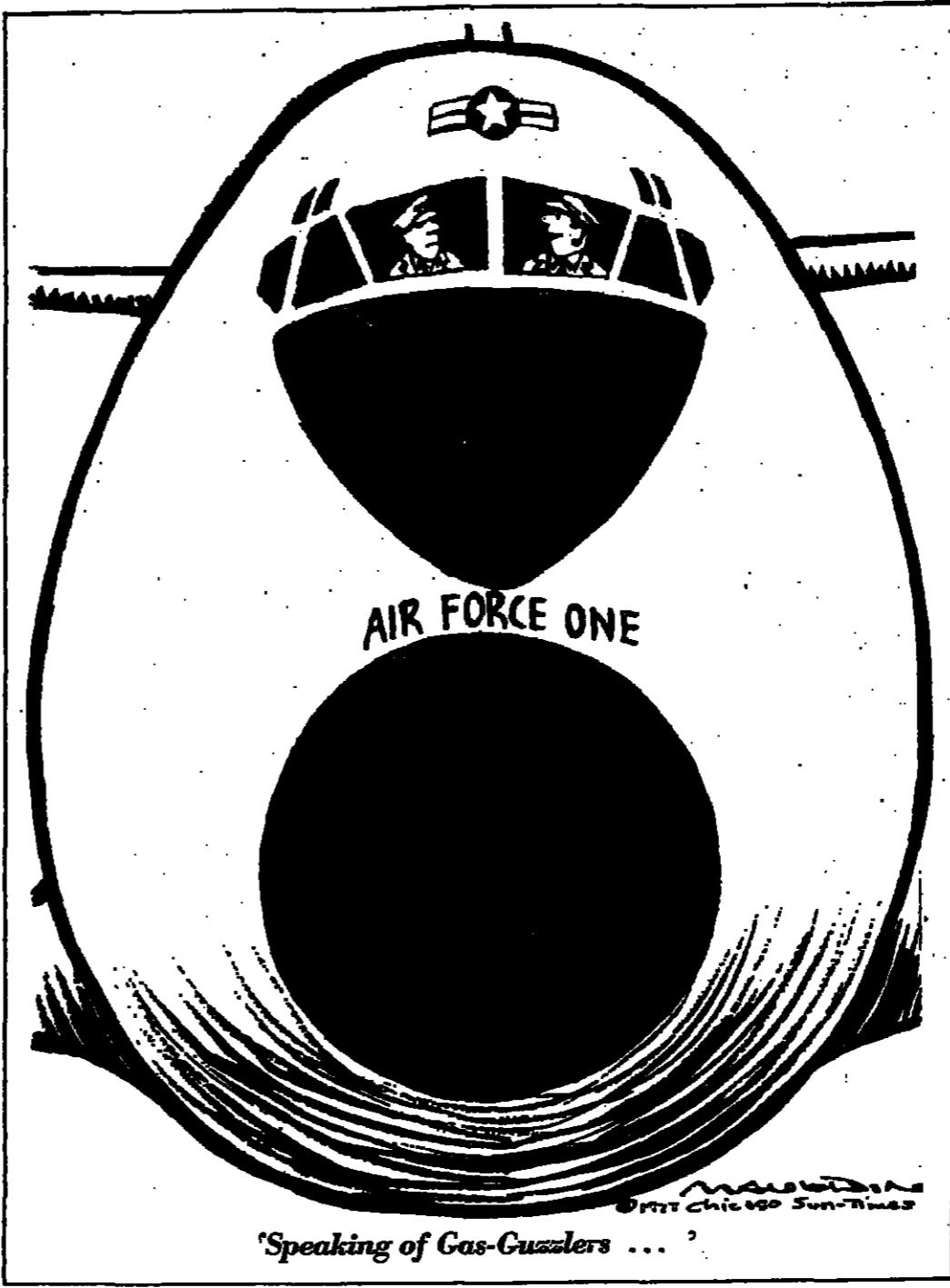
July 7, 1906

LONDON — The Daily Chronicle comments: "Whatever our politics are, we can all respect Mr. Joseph Chamberlain for his ardent devotion to the causes in which he believes. Admirals and generals are perhaps too old at 70, but in the political arena, the 70s are often the most powerful years of a statesman's life. Some men are 70 years old. Mr. Chamberlain tomorrow will be 70 years young." In Johannesburg a Standard correspondent "strongly warns the government against further meddling in the affairs of South Africa. The Cabinet's action is fostering the belief in the native mind that the white man on the spot is no longer boss."

Fifty Years Ago

July 7, 1931

PARIS — Full agreement between France and the United States upon the application of President Hoover's proposal for a one-year suspension of debt payments was announced by Premier Laval last night. A conference of treasury experts of the interested countries is to be held as early as possible to endeavor to reach agreement on these points, with a view to putting the Hoover plan into application immediately. The accord was precipitated by the increasingly serious developments in the financial situation in Germany, where the Reich yesterday was reported to be seeking more foreign loans to stave off bankruptcy and counter the "flight from the mark."



'Speaking of Gas-Guzzlers ...'

Linkage Needs to Be Discreet

By Stephen Klaudman

PARIS — In his first press conference after taking office as president, Ronald Reagan made a sweeping foreign policy declaration that at the time seemed gratuitous and therefore slightly puzzling. "I believe in linkage," he said, after answering a question about the Salt treaty.

His assertion of the somewhat passé Kissinger doctrine caused a mild stir at the time and then was generally forgotten. But now linkage is back with a vengeance.

The U.S. administration has let it be known that the Soviet response to new peace initiatives on Afghanistan and Cambodia will significantly influence the course of East-West relations.

There is little wrong with that in principle, although one might quibble about degree. It is almost self-evident that it will have some effect. The problem is in making the relationship explicit. That is what the real linkage debate has always been about.

There is something almost infantile about the tit-for-tat, you do this and I'll do that sort of public linkage that President Reagan seems to be proposing. It suggests that if Moscow does not play according to Washington's notion of the rules, the president will pick up his marbles and go home.

It seems to hint darkly that if the Soviet Union does not move toward withdrawing its forces from Afghanistan and persuading its Vietnamese client to leave Cambodia, the United States will not cooperate on arms negotiations, or perhaps will actually sell weapons to China.

But no matter how disagreeable the Soviet Union would find both prospects, a hairy-chested challenge to do it the U.S. way or else is virtually guaranteed to make it more difficult to reach accommodation. Nothing makes the Russians more obstinate than if they think someone is trying to push them around, especially in public.

Unlabeled

It is also an approach that could provoke squabbling in NATO, which would delight the Russians. The European allies are bound to be upset if the United States further delays the arms-control talks they badly need for political reasons over a lack of Soviet flexibility on Afghanistan or Vietnam.

There is widespread agreement that a Soviet invasion of Poland should cause the suspension of a whole range of East-West contacts including Salt and theater nuclear talks, but an excuse short of tanks rolling toward Warsaw would be seen in Europe as an example of what many here regard as President Reagan's blinkered, confrontational approach toward Moscow.

The linkage that really matters is the linkage that is played out daily without being expressly labeled. And it is infinitely more complex and ambiguous than the Reagan administration's rather crude suggestion that the Soviet Union bend to Washington's will in Southwest and Southeast Asia.

In the last few weeks, for example, there have been two events that, in the Soviet view, must seem directly and purposefully tied to Afghanistan and Cambodia:

• The United States announced a decision in principle to consider arms sales to China.

• The United States announced a major economic and military package for Pakistan, including the sale of F-16 fighters.

Any arms sale to China, from Moscow's point of view, would clearly be linked to Cambodia, because the Chinese would be strengthened against Vietnam, the Soviet surrogate in Cambodia. It would almost certainly appear to Soviet eyes as if the United States and China were conspiring against Hanoi and thus against Moscow.

It would also be linked, albeit less clearly, to Afghanistan, because the Soviet Union fears that

tion, says a superpower confrontation over Baluchistan is not inevitable, but "there is a growing danger that pre-emptive moves by one side or the other could set in motion an uncontrollable chain reaction of challenge and response."

That is the real linkage — "an uncontrollable chain reaction of challenge and response."

Warnings by the United States or the Soviet Union that if you do this, I'll do that, can have no positive effect on the substance of international relations and will only have a deleterious effect on the atmosphere.

The Soviet Union has good reason for warning to get out of Afghanistan. The war there is costly in men, material and money, and it is an obstacle to improved commercial and political relations with the West. Therefore it is not unreasonable that the Soviet Union would seek a negotiated solution.

Such negotiations should not be held, though, under the explicit threat of a broad breakdown in East-West relations. That would serve neither the Soviet nor the U.S. interest.

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And Arms-Control Linkage Needs Debate

By Stephen S. Roseman

WASHINGTON — The Reagan administration often seems to see arms control as a lollipop, a reward to be handed out to the Soviet Union only if it behaves nicely. This is, I think, an unfortunate conception, one rationalizing arms competition rather than arms control, but underneath it is a serious argument that needs closer inspection than it has had so far.

The argument starts here: Why is the world a dangerous place? The classic arms controllers say it's because of the growing number and power and spread of weapons. So control weapons. The Reaganites say it's because of the Soviet Union's political appetite, whetted by its growing military advantage. So control the Kremlin.

Observe this exchange between

Stone: "Nuclear weapons are not just big conventional weapons."

Stone: "The Soviet Union is, of course, free to try and expand its domain by conventional means right now — and the failure to reach a SALT agreement with them does not make them any less free to do so. Nor would the passage of SALT-2 liberate them to try conventional-force aggression not otherwise indicated."

Rostow: "You favor [arms control] agreements between the United States and the Soviet Union which would leave that country free to expand its domain by methods of conventional-force aggression."

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Savoring the Taste — and Atmosphere — of Aioli

"THOSE of you who know the south of France in its most delightful period, i.e., between March when the foreigners leave, and November when they return again, will have at least one memory of being on a bus on a Friday afternoon," wrote William Wallace Irwin in "The Garous Gourmet."

"It is not a voyage easily forgotten — the heat and the blazing sun are daily phenomena, but the perfumed aura that surrounds every good Provencal on a Friday afternoon can almost be seen. The concomitant phenomenon is a sleepiness, against which all the passengers appear to struggle with more or less complete unsuccess. All this indicates to the fully cultured that Friday being fish day, each good southerner has eaten largely of aioli, whose soporific effects are proverbial."

Sonnolence is universally cited as the inevitable result of consuming aioli, "the butter of Provence," the famous garlic mayonnaise whose territory is France south of the Durance. The *Dictionnaire de l'Academie des Gourmands* reports verbosely that "this magnificent dish does not fail to arouse in its eater a certain tendency to sleep." The Frenchman of the Midi has no objection to soporific dishes; he may even welcome a food that sends him to bed, possibly with other ideas than sleep, as Robert J. Courteau, gastronomic editor of the Paris daily *Le Monde*, a northerner, hinted darkly when he wrote that *aioli makes you not only sleepy but semidormant* — a cautiously chosen word.

Hot or Cold

Jean Alcard, a gourmet of the last century, declared: "This butter is not a spread for bread; it is the sauce which bestows edibility on vegetables, salt cod and vineyard snails." Yet the great French chef Alexandre Dumaine, who maintained his restaurant on the route to the south at the three-star level for at least a score of years before he retired undefeated, used to eat aioli alone, smeared on a slice of bread.

It is dangerous to allege that there is anything that cannot be eaten with aioli by a native of Provence (I suppose he might bogie at putting it on chocolate ice cream). I find the French food writers Henri Gault and Christian Millau, for instance, writing: "Fish are served with aioli either hot or cold. Vegetables and snails are served with it only hot." But when I lived in aioli country we ate it on hot vegetables, on boiled but cold vegetables, even on raw vegetables. However, it is true that this dish is best when the vegetables are hot.

I find aioli a rather strange accompaniment for snails, but not only is this admitted in Provence, it is almost obligatory on certain occasions. The traditional midnight Christmas Eve dinner always includes snails with aioli, and Marseilles has a local dish composed of boiled salt cod, carrots, string beans, potatoes and snails, smothered with aioli.

A clue to the sorts of foods that go best with aioli is implicit in the treatment it gets on the bill of fare, which differs from that accorded ordinary mayonnaise. When a menu mentions mayonnaise at all, it is in a secondary role. "Cold lobster with mayonnaise, the menu will read, or "hard-boiled eggs with mayonnaise." But in Provence you sometimes find a menu offering simply, "aioli." The food that provides the background should be modest, retiring even neutral; its role is not to call attention to itself, but to give the dominant aioli an opportunity to display its splendor.

Usually when there is no information on the menu about what the aioli will contain, the infrastructure will be mixed boiled vegetables, and perhaps a hard-boiled egg. The second likeliest possibility — the first likelihood on Friday — is salt cod. "Without salt cod," they say in Marseilles, "there could be no aioli," which sounds to me like a reversal of roles: Without aioli

there would certainly be less demand for salt cod.

A tradition of the Cote d'Azur is *le grand aioli*, which marks various holidays, notably Ash Wednesday. Tables are set up in the village square, laden with everything the region furnishes to the table. There are great bowls of aioli on every table and it goes on every food. The drink is local rose wine, an admirable drink with aioli, though with practically nothing else (bouillabaisse perhaps excepted). "Le grand aioli," wrote Courteau, "is aioli raised to the tenth power. It is the aioli of Gargantua. It is a legend of other times, rarely retold in our day" — for, alas, this Rabelaisian custom is dying out. The tables in the square get full of automobiles.

Aioli is almost a religion in southern France, where it is referred to simply and with affection as "the sauce," *la pomme*. When the champion of the Occitan language, Frederic Mistral, founded in 1891, a paper published in that language, he called it *L'Aioli*, the name that seemed to him most symbolic of the Midi (except his own, which he shared with the sometimes maddening wind that whistles down the Rhone valley and ruffles the windows of Provence).

"Aioli makes you slightly drunk," he explained. "It saturates the body with warmth and bathes the soul in enthusiasm. Gathered around a richly perfumed aioli, where, tell me, are there men of Provence who do not recognize each other as brothers?" And, on another occasion: "It also has another virtue: it drives flies away."

The garlic makes it indeed advisable for those who have partaken together of a feast of aioli to stay in the family to avoid offending

"Don't be tempted to crush the

garlic in a garlic press nor to make the aioli in an electric blender; the results simply will not be the same." He calls for "a wooden pestle or the bottom of a small beer bottle." Even if you observe the rules, aioli, like mayonnaise, may sometimes refuse obstinately to allow its ingredients to blend, and for the same reason — incompatibility of temperatures.

Normally, however, the procedure for making aioli is simple. Put peeled garlic cloves in the bottom of the mortar with salt, which has an abrasive effect and helps you crush the garlic into a smooth paste of uniform texture. When this is achieved, add egg yolks, the freshest you can find. One recipe calls for six garlic cloves to two egg yolks, another for 10 cloves to six egg yolks. When you have stirred the garlic and the egg yolks into a paste, start adding virgin olive oil drop by drop, stirring constantly until, when you are about halfway through, it begins to thicken.

After this you can add it more rapidly, in an unbroken stream of liquid, but never faster than it can be absorbed smoothly into the mixture. How much oil? Until you reach the texture of a thick mayonnaise, after which a little lemon juice (never more than is given by half a small lemon) finishes the process.

If aioli is seen by its worshippers as partaking of a divine essence, it is a tasty divinity. It imposes rites upon its devotees that seem to smack more of magic than of cooking.

When you concoct an aioli

you may stir it either clockwise or counter-clockwise, but once you start stirring it either way, you must not change. Aioli abhors metal: You must not cut the garlic with a knife and you must not crush it in a metal bowl. The rules demand a mortar and pestle of marble (stone would probably be tolerated) or wood. Michael Field modernized this by writing:

"Don't be tempted to crush the

Fashion

Browns Stands Out as London Success

By Hibie Dorsey

International Herald Tribune

LONDON — South Molton Street, a pedestrian mall and an oasis next to bustling Oxford Street, is known to the rag trade as Browns Strasse, for it is a mini-empire of Brown's shops — women's, men's, shoes, hairdresser, plus a couple of foreign boutiques — Giorgio Armani and Calvin Klein under the Browns marquee. With a \$10-million turnover and 80 employees, Browns is widely regarded as an outstanding international success in a city where fashion has been having more than its share of problems since the glorious mini-skirted 1960s.

The brainchild of Sidney Burstein and his soft-spoken, gentle wife, Joan, the rag-to-riches Browns story started in 1970 with one shop that the Bursteins bought from Sir William Pigott-Brown (hence the name). The Bursteins came from a wholesale dressmaking business that had gone bankrupt, and they were anxious to experiment with new ideas on the retail level.

From the start, their approach to fashion was highly personal, radically international and all in the family. While Burstein looks after the commercial side of the business, his son, Simon, takes care of the men's department, which now has a Paris branch. His daughter, Caroline, runs the hairdressing salon. And his wife, the fashion maven behind it all, spends half the year traveling with a four-person entourage including fashion director Robert Forrest.

For years, there have been familiar faces at the Paris, Milan and Florence shows, and Mrs. Burstein was an early American fashion fan as well. "America is getting very strong," she said. "We've been going there for five years." She added, "We've been first with many designers — Missoni, Sonia Rykiel, Armani, Basile and all the Americans."

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Streets dining in charming old Swiss atmosphere; bar is

visiting. 11, Rue de Gare, Pully, 021/28-27-29.

AU VIEUX CAVEAU

Streets dining in charming old Swiss atmosphere; bar is

visiting. 11, Rue de Gare, Pully, 021/28-27-29.

Smith of Ghent' Revived

By Paul Moor

International Herald Tribune

BERLIN — The Deutsche Staatsoper's new production of "The Smith of Ghent" in East Berlin continues the renaissance of Franz Schreker's music that began in Fribourg three years ago, but whether Schreker's music will ever again attain the fame it once enjoyed in Germany remains an open question.

Schreker was born in Monaco in 1878. His father, who was Jewish, was a Viennese court photographer; his mother was an aristocrat. He grew up in Vienna, where he attended the Musikakademie and at 18 joined the Volksoper as chorist and orchestral conductor. At 24, his opera "The Distant Sound" made him famous. Alban Berg prepared the work's piano score.

Schreker and Arnold Schoenberg became close friends and frequent tennis partners, and in 1913, six years after founding Vienna's Philharmonic Choir, Schreker conducted the world premiere of Schoenberg's massive "Gurrelied."

Survivors of pre-Hitler Germany say that no one who knows that period only at second hand can imagine Schreker's eminence then. In 1920 he became director of Berlin's Musikhochschule, where he trained numerous younger composers; his eight operas enjoyed more performances than those of Richard Strauss.

Then came Hitler, whose artistic arbiters got Schreker kicked out and banned his music. The following year a stroke killed Schreker, and not until 44 years later, in 1978, did his music's revival begin.

Schreker's music, a sensuous mixture of post-Mahlerian chromaticism and impressionistic orchestral coloring, does not rank as great. It certainly, though, deserves far better than the oblivion into which it has fallen.

The audience responded with ringing bravos.

Schreker's music, a sensuous mixture of post-Mahlerian chromaticism and impressionistic orchestral coloring, does not rank as great. It certainly, though, deserves far better than the oblivion into which it has fallen.

The Smith of Ghent' Revived

Reuter

PEKING — A 15-mile (25-kilometer) section of the Great Wall in the Golden Mountains 75 miles northeast of Peking is being renovated and will soon be opened to foreign tourists visiting Peking, the English-language China Daily reported. The wall is also accessible to foreigners at each end and at a section northwest of Peking.

NYSE Nationwide Trading Closing Prices July 6

Tables include the nationwide prices up to the closing on Wall Street.

12 Month Stock High Low Div. In	5 Yrd. P/E	S/1000	High Low	Close	Chg. Prev	High Low	Close	Chg. Prev	High Low Div. In	5 Yrd. P/E	S/1000	High Low	Close	Chg. Prev	High Low Div. In	5 Yrd. P/E	S/1000	High Low	Close	Chg. Prev
13M 460 Conca	25	15	257	115	170	16	15													

BUSINESS NEWS BRIEFS

Mitsubishi Electric Weighs Westinghouse Deal

TO — Mitsubishi Electric is studying a Westinghouse deal for joint production of large-scale integrated circuits and other electronic semiconductors in the United States, the company said Monday.

Mitsubishi declined to give details, but the Japanese economic daily *Keizai Shinbun* reported that total investment was estimated at 100 billion yen (\$87 million).

Japan Electric last month announced plans to establish a 20 billion yen facility for the manufacture of very large scale integrated circuits in San Jose, Calif.

Honda Considers Earlier U.S. Production

TO — Honda, Japan's third-largest auto exporter, said Monday it may start production of compact cars in the United States earlier than planned.

"We are studying how soon to start auto production in the United States, but no decision has been made yet," a Honda spokesman said, noting that the car maker may advance its production schedule.

Japan's leading financial daily, *Nihon Keizai Shinbun*, said Honda's production near Columbus, Ohio, will start "half a year earlier," but did not specify the date.

Arco Says It Will Acquire Ladish

TO — Arco said Monday it has agreed in principle to acquire Ladish, a Wisconsin metal-forging firm, for about \$221 million in stock.

Under the terms of the merger, each outstanding Ladish share will be converted into 60 shares of Arco stock. Ladish has about 108,000 outstanding shares and the transaction would result in the issuance of 6.5 million Arco shares.

Arco said it has commitments covering about 53 percent of Ladish's outstanding stock under purchase and option agreements with the company's shareholders. The merger is subject to completion of a definitive agreement and approvals of the boards of both companies, the shareholders of Ladish and regulatory authorities.

Olivetti Reports Rise in First Half Sales

TO — Olivetti said Monday that parent company sales in the first half ended June 30 rose 26.5 percent above the \$52.7 billion figure for the same period last year.

It gave no figures but said turnover for the first five months to the end of May was 52.6 billion lire, up 23.7 percent on the same 1980 period. For the first five months were notably higher, it added, without figures. An Olivetti spokesman said he could give no further profit.

Arco said its first half profits reflected a fall in interest charges resulting from a reduction in parent company debt to 170.3 billion lire at the end of May 1980. Olivetti said. Group turnover rose percent to 930.2 billion lire in the first five months, while group debt fell, it said.

Canada Permanent Accepts New Genstar Offer

TO — Canada Permanent Mortgage said Monday that its toy will recommend that shareholders accept a new, higher cash offer from Genstar of 31 Canadian dollars (\$25.83) a common and 36.90 Canadian dollars per series A convertible preferred.

A trust said the "board considers the Genstar offer to be fair and superior to the current First City [Financial Corp.] offer." The sweetened Genstar offer is much simpler than Genstar's previous proposal and will result in earlier cash payment to shareholders who it.

Shareholders who have tendered to First City must give written notice of their intention to withdraw their stock, it said. Analysts estimated the Genstar cash bid to be worth about 263 million Canadian dollars, compared with about 255 million dollars for Genstar's earlier bid.

Is In on Malaysian Iron Plant

TO — A Japanese consortium and two European companies have bid to build the proposed 800 million ringgit (\$368 million) sponge-iron plant in the West Malaysian state of Trengganu, an spokesman said Monday.

Shahid Sani, executive director of the state agency, Heavy Industries Corp. Malaysia, said a group, led by Nippon Steel, Voest-Alpine Austria and Ferrosud of Germany had submitted proposals for the construction of the plant that were under study.

The plant, to be Malaysia's largest sponge-iron scheme with a planned output of 600,000 tons, is scheduled to start production in mid-1983, off the east Malaysian coast. The Trengganu plant is part of the government's strategy to take the economy into heavy industry.

Iran Awards Oil Exploring Concessions

TO — Japan Oil Exploration and Elf Aquitaine-Oman spend a total of \$130 million in oil exploration in Oman under concessions awarded Monday by the government on an area of 27,000 square kilometers (10,400 square miles).

A official statement gave no details of the six- to seven-year concessions but said the government's net profit would be between 90 percent, depending on the size of any oil find.

Cocoa Countries Snagged

1 Row with Consumers

By Elizabeth Bailey
New York Times Service

INDON — Cocoa beans, the foundation for chocolate and other products, are at the center of an interestingly bitter controversy between cocoa producing and consuming countries.

While the price of cocoa has met to a five-year low, the International Cocoa Organization, alliance between cocoa producing and consuming nations, has been unable to agree on a strategy to ease the downward pressure.

But it does not look as if the new agreement, which is scheduled to go into effect Aug. 1 and replace

(Continued on Page 11, Col. 3)

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

France CII Honeywell-Bull
Year 1980 1979
Profits..... 180.2 210.1

Japan Shiseido
Half Year 1981 1980
Revenue..... 144,980.0 144,980.0
Profits..... 3,700.0 5,700.0

Spain Ensidesa
Year 1980 1979
Loss..... 15,690.0 5,700.0

Oil Glut Strains Mexican Policy

Price Declines Undermine Rapid Growth Strategy

By Alan Riding
New York Times Service

MEXICO CITY — The sudden drop in world oil prices has highlighted Mexico's dependence on oil exports and has raised questions in banking and business circles about the wisdom of the government's current strategy of rapid growth with inflation.

Mexico has already agreed to need to borrow an additional \$1.2 billion abroad to compensate for lost oil revenues, but foreign bankers believe Mexico may eventually require between \$2 billion to \$3 billion in new loans on top of the \$5 billion in foreign credits already projected for 1981.

Furthermore, new estimates that Mexico's current account payments deficit this year could exceed \$10 billion have prompted speculation about the future of the Mexican peso, which most officials recognize to be overvalued but which to date has been sustained by steadily growing oil revenues.

Semi-Euphoria

"Over the past few years, Mexico has been in a state of semi-euphoria, convinced that oil would sooner or later solve all its problems," one foreign financial expert noted. "Now it's suddenly waking up and finding this is not the case."

Even before the fall in oil prices, in fact, there was mounting recognition that recent growth rates of 8 percent a year had seriously overheated the Mexican economy, with inflation currently running at an annual rate of more than 30 percent, government spending outpacing even oil revenue and industrial expansion requiring huge imports.

Moreover, with rocketing domestic demand consuming much of Mexico's own industrial output, non-oil exports have stagnated and oil's share of total

exports has grown steadily to more than 70 percent. The high prices prevailing in Mexico's tourist resorts have also slowed the growth of the industry and prompted Mexicans to opt increasingly for cheaper vacations abroad.

The crisis over oil revenues, however, appears to have led many Mexican and foreign analysts to take a closer look at the country's current economic trends, and some have come away concerned. "You don't see many smiles around these days," one foreign banker remarked.

Political Considerations

Part of the concern stems from political considerations, not only the fact that President José López Portillo is in the final 18 months of his term and must pick a successor later this year, but also because the nationalist outcry that followed Mexico's decision to lower its oil price by \$4 a barrel last month forced the resignation of Jorge Díaz Serrano as head of Petróleos Mexicanos, the state oil monopoly, commonly known as Pemex.

As a result, largely for internal political reasons, the new oil chief, Julio Rodolfo Moctezuma Cid, has been forced to seek a \$2-a-barrel increase — from \$30.60 to \$32.60 for a mixture of its light and heavy crudes — for Mexico's July export contracts despite the current oil glut and the falling price on world markets.

So far, however, many clients are balked at the new price and Mexican newspapers have reported a \$50,000-barrel-a-day drop in exports, including cancellations by importers in the United States, France, India, Yugoslavia, Sweden and the Philippines. Until recently, 1.4 million barrels of Mexico's 2.6-million

(Continued on Page 11, Col. 3)



A worker operates oil drilling equipment on a Mexican rig.

Big Board Prices Fall For 7th Straight Day

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange closed lower for the seventh straight day Monday as investors' concerns about the interest rate outlook persisted.

The Dow Jones industrial average fell 9.89 points to close at 949.30; its daily advances 4 to 1 on volume of 44,590,000 shares, compared with 45,100,000 on Thursday, the last day of trading because of Friday's July 4 holiday.

The Dow has lost 47.47 points in the previous seven trading sessions while falling to a four-month low.

Analysts Comment

Analysts said the market is waiting for some sign that the Federal Reserve will ease its monetary policy, and is focusing attention on Tuesday's meeting of the policy-making Federal Open Market Committee.

Other analysts pointed out that any easing is likely to be modest at best.

On the NYSE floor, Conoco and DuPont were among the most active after the two companies had agreed that DuPont would acquire Conoco at a deal valued at \$7.3 billion.

Conoco Service, which has figured in considerable takeover speculation, was active and higher most of the session.

Newmont Mining, an energy company that has also been the target of speculation over the past week or so, was active and lower.

After the market closed, the Federal Reserve reported that the nation's money supply M-1A averaged a seasonally adjusted \$361.9 billion in the week ending June 24, unchanged from the previous week.

The broader measure of the money supply known as M-1B averaged \$429 billion in the week.

Storm Warnings Shut Hong Kong Markets

From Agency Dispatches

HONG KONG — The Chinese Gold and Silver Exchange Society Gold closed for trading Monday due to the approaching tropical storm Lynn, an Exchange Society spokesman said.

Meanwhile, the four local stock exchanges were closed for business Monday, as was the Hong Kong Commodity Exchange's gold, soybean, cotton and sugar futures markets.

also unchanged from the previous week.

For the latest four weeks M-1A averaged \$361.8 billion, a 4.4% rate of decline from 13 weeks ago; M-1B averaged \$428.8 billion in the four weeks, a 3.5 percent rate of increase in the statistical quarter.

In corporate news, U.S. automakers reported mixed results for the June 21-30 selling period.

General Motors, the largest U.S. auto manufacturer, said its sales for the period fell 13.1 percent to 95,473 from 114,510 last year.

Ford said its domestic sales in the period rose 8.8 percent to 45,146 from 41,479 a year earlier.

The No. 3 automaker, Chrysler said its domestic sales in the last 10 days of June rose 22 percent to 19,560 from 16,050 a year earlier.

American Motors said its sales for the period fell 12 percent to 9,726 from 11,002 cars a year ago.

Reliance Financial Services Monday reported to the Securities and Exchange Commission that on June 22 it sold 229,200 shares of the class A common stock of The New York Times Corp.

The shares were sold at \$37.375 per share, or a total of approximately \$8.6 million.

As a result of the sale, Reliance now owns 592,300 shares or 5.3 percent of the class A common stock of company.

Prices were lower in moderate trading of American Stock Exchange issues.

U.S. Treasury Undersecretary Beryl Sprinkel said Monday that the prime rate could fall to between 10 and 13 percent by the end of the year if the United States stays on the right track as far as money supply growth is concerned.

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BANCO ARABE ESPAÑOL

الصرف العربي الاسباني

ORDINARY AND EXTRAORDINARY ANNUAL GENERAL MEETINGS OF SHAREHOLDERS HELD IN MADRID

On June 15th, 1981

The following are extracts from the addresses delivered by the Chairman of the Board of Directors.

Mr. Abdulla A. Saudi:

- Total deposits at year end amounted to US\$ 1,143 Million.
- Our bank was very active in both loan syndications and short term financing increasing its presence in international and domestic markets.
- Operations related to foreign trade activities continued at a satisfactory level.
- During March 1981, our Bank obtained a controlling interest in the BANCO DE LA EXPORTACION, a commercial Bank located in Valencia, a move which is allowing the expansion of our group's financial services.

AUDITED BALANCE SHEET* (in thousands of Spanish pesetas) - December 31st 1980 MID MARKET RATE OF EXCHANGE: 1 US \$ = 79.25 pesetas

ASSETS

Cash and Bank of Spain	78,115
Due from banks:	
Pesetas	5,077,539
Foreign currency	62,271,012
	67,298,551
Loans:	
Pesetas	7,377,791
Foreign currency	25,094,739
	32,472,530
Provision for possible loan losses	1,038,400
	31,434,130
Equity investments	596,948
Bonds	57,494
Bank premises and equipment, net of allowances for depreciation	1,001,169
Accrued interest receivable	2,265,329
Other assets	63,471
	103,313,207
Customers' liabilities for documentary credits, acceptances and guarantees per contra	20,012,531
	123,325,738
MEMORANDUM ACCOUNTS	73,748,748

*These are abbreviated financial statements extracted from those expressed in Pesetas audited by Ernst & Whitney. Full audited financial statements are available upon request to the Bank.

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INTERNATIONAL EXECUTIVE OPPORTUNITIES

International Management Opportunities

Group Managing Director
Group Financial Controller
Managing Director (London)

Nigeria

Salary Ranges: U.S. \$60,000-\$125,000

The OGT is a well established holding company based in Lagos, Nigeria. The Group of companies is involved in the following major business activities:

1. highway and building construction, including related engineering; architectural and real estate services;
2. shipping and forwarding;
3. trading and general merchandising of a wide variety of consumer and industrial products;
4. manufacturing and distribution of building materials;
5. insurance underwriting and brokerage.

The dynamic growth of this indigenous company has created an urgent need for a senior management team. Successful candidates will have developed their skills in the European or North American business environment.

Group Managing Director

This position will carry responsibility for the overall management and profitability of the Group. Emphasis will be placed on the development of an effective management team, and on the planning, coordination and control of operations. The ideal candidate will have a minimum of 20 years' industrial/commercial experience in positions of increasing responsibility, currently at the C.E.O. or senior management level. Location: Lagos, Nigeria.

Group Financial Controller

A professionally qualified financial executive is required to function as Chief Financial Officer for the Group. Responsibilities will include all finance and accounting functions with emphasis on the development of improved budgeting, reporting and control procedures. Applicants should have several years' experience in accounting management.

Location: Lagos, Nigeria.

Managing Director (London)

The Managing Director will carry responsibility for the establishment of a London-based operation for the Nigerian group. The position is designed to take full advantage of international business opportunities. The ideal candidate will be a senior marketing executive with extensive international commercial trading experience.

Location: London, England.

These positions are for a minimum term of two years. Transportation costs for successful candidates and their families will be paid, and there is a generous annual home leave provision. Furnished accommodation and full medical insurance, as well as a number of other benefits, will be provided.

Woods Gordon
Management Consultants

Please reply in confidence, giving full personal details and quoting File #8016:A
Daniel Axerod, 37 Connaught Square, London W2, England.

International Management Opportunities

Group Commercial Manager
Group Technical Manager
Strategy Goods Procurement Manager
Group Shipping Manager

Nigeria

Salary Ranges: U.S. \$60,000-\$125,000

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2. shipping and forwarding;
3. trading and general merchandising of a wide variety of consumer and industrial products;
4. manufacturing and distribution of building materials;
5. insurance underwriting and brokerage.

The dynamic growth of this indigenous company has created an urgent need for a number of senior managers who have developed their skills in the European or North American business environment. Candidates are sought for the following positions:

Group Commercial Manager

An experienced marketing executive is required to take charge of the sales and marketing activities of the entire Group. Responsibilities will involve the achievement of planned growth of sales and business activities through improved coverage of existing markets and exploitation of new business opportunities.

Group Technical Manager

This position carries management responsibility for planning, implementation and control of all engineering and construction activities of the company. Candidates must be professional engineers and have wide experience in civil and building construction.

Strategy Goods Procurement Manager

This position entails responsibility for the procurement of military goods, including weapons, ammunition, and other supplies. The successful candidate will have a background of military service at a senior level, and will have established contacts with major suppliers.

Group Shipping Manager

The Shipping Manager will be responsible for all shipping arrangements for the Group, including the chartering of ships and possibly the operation of a company-owned fleet. Candidates must have extensive international shipping experience. These positions are for a minimum term of two years. Transportation costs for successful candidates and their families will be paid, and there is a generous annual home leave provision. Furnished accommodation and full medical insurance, as well as a number of other benefits, will be provided.

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CSR

Australia

CSR Limited, Australia's fourth largest company and Australian owned, has interests in sugar, building materials, energy resources, aluminium and chemicals as well as being one of Australia's leading mining and exploration groups. The company has approximately 16,000 employees. Gross revenue for the year ended March 1981 was \$A2932 million (\$US3313 million) an increase of 31% on the previous year. With many opportunities for growth CSR Limited is seeking additional ENGINEERS and GEOLOGISTS for employment in Australia.

GEOLOGISTS

- Coal
- Petroleum
- Minerals

ENGINEERS

- Mining
- Mechanical
- Electrical
- Chemical

METALLURGIST

COAL GEOLOGISTS

(Reference 9577)

EXPLORATION geologists, based in Brisbane, will assist in developing the exploration, analytical, logging or computer techniques needed to improve the evaluation of known coal bearing areas.

DEVELOPMENT geologists will contribute to the commercial feasibility study of coal deposits.

New ideas and methods for discovery and evaluation of coal deposits are actively sought. A knowledge of Permian, Tertiary, Triassic and Jurassic coal geology would be an advantage.

PETROLEUM GEOLOGISTS

(Reference 9587)

PETROLEUM geologists, based in Brisbane, will be actively engaged in CSR's oil and gas areas including the Bowen, Surat and Adavale basins in Queensland, Pechina Basin in South Australia, the Canning Basin and North West Shelf in Western Australia and Seram in Indonesia.

Experience in the exploration of clastic or carbonate sequences and/or reservoir and production geology is preferred. A strong grounding in stratigraphic principles is essential.

GEOLOGIST - SOUTHEAST ASIA

(Reference 9597)

GEOLOGIST - South East Asia will be required to locate exploitable minerals in assigned areas and to ensure exploration programmes are cost effective, technically feasible and within budget.

The successful applicant will be required to direct and supervise field assistants who undertake the logistics and technical support associated with projects and field contractors.

An honours graduate with at least four years' hard rock experience and a degree is sought. The ability to speak Malay, Thai or Indonesian is essential.

MINING ENGINEERS

(Reference 9607)

MINING engineers will participate in the production and planning functions at CSR Limited's current operating mines in Queensland, New South Wales and Western Australia or in the evaluation or development of new projects. The opportunity to work underground to obtain a Mine Manager's Certificate will be available.

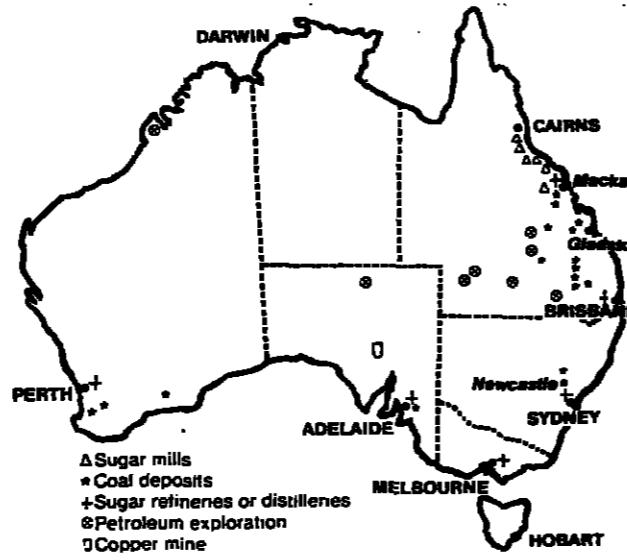
Coal mining experience is required in one or more of the following areas:

- Underground mining operations
- Surface mining methods
- Coal preparation
- Feasibility study preparation
- Determining production rates
- Coal product specification
- Longwall design

MECHANICAL ENGINEER

(Reference 9627)

As a member of the maintenance team, the MECHANICAL engineer will be required to investigate, design, cost and supervise a range of engineering projects associated with fixed and mobile plant, structure and services at an open-cut copper mine at Mount Gibson in South Australia.



ELECTRICAL ENGINEERS

(Reference 9617)

ELECTRICAL engineers' duties may include the planning of power supply for mine sites in New South Wales or Queensland, provision of temporary power, selection of control systems or large scale electrical design and maintenance.

Experience with high voltage reticulation and control systems, and construction and maintenance of large electrical powered earth moving and coal handling equipment would be an advantage.

CHEMICAL ENGINEERS

(Reference 9647)

CHEMICAL engineers can be expected to be involved in work at sugar mills, North Queensland sugar refineries or ethanol distilleries (Capital City). On the following fields: management of process operators, supervision of factory operations, trouble shooting, maintenance of product quality and process standards, supervision of analytical laboratories, operation and control of effluent treatment systems and technical investigations. These positions may involve shift work.

METALLURGIST

(Reference 9637)

The METALLURGIST will be one of four technical staff responsible for the metallurgical operations, development and assaying services of a 720,000 tonnes per annum floatation concentrator at an open-cut copper mine at Mount Gibson in South Australia.

Duties involve process development and applied research, and leading of copper oxide ores and relieving the production metallurgist in charge of contractor operations. Previous operational experience would be an advantage.

Applicants for the above positions should have University qualifications in appropriate disciplines and between 2-6 years' practical experience since graduation.

These positions offer outstanding CAREER OPPORTUNITIES in a dynamic and progressive Australian company.

Competitive salaries will be negotiated depending on qualifications and experience. Relocation and removal expenses for successful applicants will be available, together with accommodation assistance on arrival.

CSR Limited has excellent employee benefits, including superannuation and a housing loan scheme. The company also carries out regular reviews of salaries and takes a strong interest in the development and training of staff.

Interviews will be held in Europe in September/October with arrival of successful applicants in Australia scheduled for the first quarter of 1982.

Complete confidentiality is assured. Written applications, quoting the relevant reference number should be forwarded by air mail to:

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Qualifications:

- University degree in engineering, business management or economics.
- 10-15 years of industrial experience after graduation, having reached a managerial capacity, and with experience from more than one industrial sector.
- Industrial experience and min. 3 years living in Africa.
- Fluent English or French, with working knowledge in the other.

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St. James's House, 4/7 Red Lion Court, Fleet Street, London EC4A 9EB.

International<br

Japan's Expand Horizons of Electronics

By Muneaki Morita

Reuters

OKYO — Backed by a multi-billion dollar research and development program, the Japanese applied technology industry is ahead with the production of new types of electronic equipment to try to maintain its leading position on world markets.

After the success of Japanese videocassette recorders, the industry is ready to launch further overseas campaigns with devices designed to make work easier and to simplify travel.

It says it will introduce a portable electronic typewriter next month that enables business men and journalists to use either written texts or telex tapes traveling.

The machine, a typewriter keyboard with a liquid crystal display screen, weighs 1.5 kilograms (3.3 pounds) and is able to record and store 120 letter pages.

It also plans to market word processors and relay devices to transfer stored information. Casio has started to sell letter which, with the use of figures, plays a role in further ahead, Toshiba and Hitachi say they hope to market within two years.

portable television sets smaller than paperback books.

Industry sources said these were just a few of the Japanese products that were expected to hit world markets in the coming years.

Japan's investment in research and development was more than 4 trillion yen (\$17.5 billion at the current exchange rate) in 1979, equivalent to about 2.3 percent of Japan's gross national product and 14 percent higher than the previous year.

A special premier's council was convened in 1977 because of concern about the country's relatively low rate of research and development investment, which was then about 2.12 percent of GNP. The council adopted 2.5 percent as a short-term target and 3 percent for the long term.

10-Year Project

Officials of the Science and Technology Agency said comparative figures for West Germany and the United States were 2.65 percent and 2.49 percent respectively. Unlike Japan, however, these figures include some investment for military purposes.

The International Trade and Industry Ministry recently launched a 10-year project to develop new industrial materials, biotechnology and electronic elements at a total cost of 120 billion yen.

The government also plans to establish so-called technopolis centers, technology-intensive industrial zones in the suburbs of major cities.

Despite efforts to establish its own technology, Japan still appears to run a trade deficit in technology as a whole. The Science and Technology Agency said Japanese investments for technology totaled \$2.26 billion in 1979, while its exports were a relatively meager \$342 million.

But a recent survey by the financial daily, Nihon Keizai, showed that technology deals by Japan's major companies produced a 23.7 billion yen surplus in 1980 against a 16.5 billion yen deficit in 1979.

Technology exports, led by major steel and shipbuilding and chemical companies, amounted to 96.2 billion yen in the year, producing a 17.1 billion yen surplus, the survey said.

It added that electrical machinery and appliance companies recorded a 7.4 billion yen deficit because of massive payments for past imports of semiconductor and color television technology. It noted, however, that basic technology imported from abroad had contributed to the production of high-quality products, improving exports and domestic sales.

Paris Says Mexico Dispute Causes Concern

From Agency Dispatches

The French government has expressed its concern over Mexico's decision to break off contracts held by companies in retaliation for Mexico's refusal to pay an extra 10 percent for Mexican oil, but the went was reported to regard it as politically motivated a breakdown in economic

Mexican decision, and on Saturday, apparently work by French companies to build subway cars, as halting construction of engine plant by Renault, the state-owned automaker also said it would not French bids for nuclear contracts.

French Foreign Ministry today it "was following with attention" the Mexican government's decision to halt the potentially worth about \$1 but a government spokesman quoted on Monday as saying that France did not want an official decision had

been made regarding French participation in Mexican development projects.

Also on Monday, French External Trade Minister Michel Jobert said in a radio interview that he was confident the trade dispute will resolve itself over the coming days and weeks. Mr. Jobert was reported as saying that the interests of both countries were so great that a solution will be found, provided each side is prepared to make concessions.

Meanwhile, a special interministerial meeting of representatives of the economic, industry, trade and foreign relations ministries was called to discuss the problem.

Last week, Compagnie Française des Pétroles, the government-controlled oil company, said it was halting its regular Mexican oil imports for three months rather than pay the higher price since it was raised by \$2 a barrel, to about \$36.50. CFP said it could get other supplies cheaper.

The CFP dispute has been attracting attention in the French business community as the latest

example of how France's new Socialist administration appears to be allowing big companies complete management freedom instead of trying to influence investment decisions to fit in with its plans to increase employment at home, as some observers had feared.

In this case, CFP is being allowed to strain France's political relations with a friendly nation of the Third World and to jeopardize lucrative business contracts for commercial reasons. But in other cases, France's Socialist leaders have surprised the business community by letting French companies make major investments in the United States instead of asking them to invest at home.

The CFP dispute is the latest example since the Socialist Party came to power in last month's elections of a major French company's making a business decision with clear political implications but without any hint of interference from Paris.

Mexican Economic Policy Strained by Oil Price Fall

(Continued from Page 9)

CFP, which normally buys about 100,000 barrels of Mexican oil a day, is one of four major oil companies that have stopped buying the Mexican oil rather than pay the additional \$2 a barrel. Although there have been no reports of economic reprisals against other companies refusing to buy Mexican oil, indications are that Mexico is considering such action.

The CFP dispute is the latest example since the Socialist Party came to power in last month's elections of a major French company's making a business decision with clear political implications but without any hint of interference from Paris.

This year, the government opted for almost weekly "mini-devaluations" aimed at reducing the currency's value without causing alarm, although these deprecations have been insufficient to compensate for new inflation.

Mr. López Portillo has argued that a larger devaluation would bring Mexico no benefits and merely aggravate inflationary pressures. Banking sources said that fears of a devaluation have nevertheless led many Mexican companies with high dollar debts to slow their new foreign borrowing. And since domestic credit is tight and optimum local interest rates are as high as 34 percent, a cutback in new investment may follow, the sources added.

Having benefited enormously from the oil-fired economic boom and the pro-business policies of the López Portillo administration, private sector spokesmen are now increasingly blaming the government's big spending for inflation.

But for the moment the regime appears to be gambling heavily that a recovery of world demand for oil will lift prices again and provide the income needed to complete numerous major projects before Mr. López Portillo steps down in December, 1982.

Cocoa Countries Snagged In Row with Consumers

(Continued from Page 9)

the Cocoa Organization, Kwesi Hackman, according to Mr. Hackman's estimates, the Ivory Coast alone would lose some \$245 million.

Despite the continued downward spiral of cocoa prices this year, the Ivory Coast has remained adamant in its refusal to support the new cocoa agreement, primarily because it does not want to appear to give in, said one cocoa trader.

The agreement reached in Geneva recently is similar to one proposed last November, which the Ivory Coast also rejected. The irony is, of course, that the price of cocoa, which was at that time above the proposed floor price of \$1.00 has steadily fallen, while the producers have stood by helplessly.

In the past, the Ivory Coast has tried to exert a leadership role among the cocoa producers. At the meeting in Geneva, which the Ivory Coast did not attend, this role was taken over by Brazil, which now rivals the Ivory Coast in cocoa production.

There is a very real threat that the present low prices could ultimately lead to the planting of smaller crops. If the prices come down much lower, producers will be selling cocoa below its production price, said one trader. According to Mr. Hackman, some governments are already cutting back.

Even if the new agreement proves ineffective, there are some experts who think that the downward pressure on the price of cocoa may eventually ease.

"We must be getting near the bottom of this price fall," said Jim Hepburn, a trader at the London firm of E. Bailey Commodities. "I don't expect any great move in the near term, but by this time next year, the price will certainly be up."

Gulf Considering Selling European Chemical Plants

Reuters

LONDON — Gulf Oil may sell its European petrochemical operations, which are losing \$10 million a year, a Gulf spokesman here said Monday.

He said the group has decided not to go ahead with a planned \$200 million chemical project in Rotterdam. Plans to expand European operations were announced in December.

Industry sources said weak markets are also raising a question mark over Esso Chemicals' planned petrochemical project at Midsomer, Scotland.

Gulf's European chemical capacity includes 330,000 metric tons annually of ethylene, 230,000 metric tons of benzene, 215,000 metric tons of styrene, 150,000 metric tons of propylene, 150,000 metric tons of cumene and 110,000 metric tons of cyclohexane.

The cancelled Rotterdam expansion would have included capacity for styrene, alpha olefins and associated synthetic lubricants. Gulf hopes to sell its operations as a going concern, the spokesman added.

The Soviet Union apparently has renewed interest in the scheme after a lull because of difficulties over the terms on which West German banks would supply credit for the deal, the sources said. They added that this problem had been overcome, but no details were disclosed.

An agreement on the project could be signed this year, possibly during a visit that Soviet leader Leonid I. Brezhnev is due to make to West Germany in November, they said.

Soviet trade officials recently held intensive talks with West German companies seeking big orders to build the 5,000-kilometer (3,000-mile) pipeline and related plant, the sources said. The scheme, involving total investment of between 20 and 30 billion Deutsche marks, is designed to supply Western Europe with 40 billion cubic meters of natural gas a year by the mid-1980s.

A problem confronting the proposed deal was U.S. criticism that it would make Western Europe dangerously dependent on Soviet energy supplies, the sources said. But sources said it would be hard for Moscow to switch the pipeline off because such a move could cause irreparable damage to the system.

INTERNATIONAL BIDDING

BERTOL S/A-IND. COM. E. EXP. PORTACAO, foreseen the implantation of an industrial unit located in Passo Fundo - Rio Grande do Sul is interested in acquiring machines and equipment for the extraction of vegetable oils.

The purpose of this communication is to invite interested parties to present their proposals in writing to the following address: Rodovia RST 153 - Km 2 - Vila Nossa Senhora Aparecida - PASSO FUNDO - RS CEP. - 99.100.

Eurocurrency Interest Rates

July 6, 1981

Dollar	D. Mark	Swiss	Sterling	French	ECU	SDR
3 M.	18% - 19%	12% - 13%	9% - 10%	11% - 12%	21 - 22	15% - 16%
2 M.	18% - 19%	12% - 13%	9% - 10%	12% - 13%	21 - 22	15% - 16%
3 M.	18% - 19%	12% - 13%	9% - 10%	12% - 13%	21 - 22	15% - 16%
6 M.	17% - 17%	12% - 13%	9% - 10%	12% - 13%	20% - 21	15% - 16%
1 Y.	16% - 17%	12% - 13%	9% - 10%	12% - 13%	19% - 19%	14% - 15%

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In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Limited, and Citibank, N.A. dated July 2, 1980, notice is hereby given that the Rate of Interest has been fixed at 133% p.a. The relevant Interest Payment Date is January 6, 1982 (making an interest period of 184 days) and payment will be made against Coupon No. 3. The value of Coupon No. 2 payable on July 6, 1981 is U.S. \$136.80.

July 7, 1981
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Incorporated

Société Générale

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Merrill Lynch International & Co.

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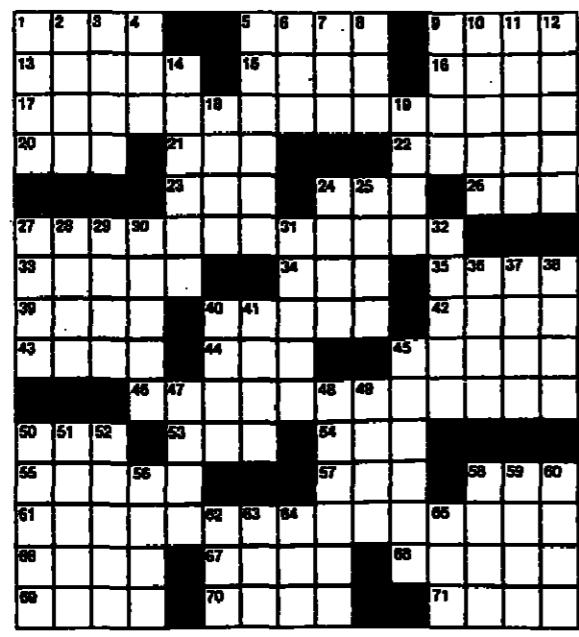
Swissische Hypotheken- und Handelsbank

NYSE Nationwide Trading Closing Prices July 6

Tables include the nationwide prices up to the closing on Wall Street.

(Continued from Page 8)

12 Month Stock High Low Div. In 4 Yrd. P/E 100% High Low Quot. Close	Close High Low Quot. Close	12 Month Stock High Low Div. In 4 Yrd. P/E 100% High Low Quot. Close	Close High Low Quot. Close	12 Month Stock High Low Div. In 4 Yrd. P/E 100% High Low Quot. Close	Close High Low Quot. Close	12 Month Stock High Low Div. In 4 Yrd. P/E 100% High Low Quot. Close	Close High Low Quot. Close	12 Month Stock High Low Div. In 4 Yrd. P/E 100% High Low Quot. Close	Close High Low Quot. Close	12 Month Stock High Low Div. In 4 Yrd. P/E 100% High Low Quot. Close	Close High Low Quot. Close
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CROSSWORD *By Eugene T. Maleska*

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- 35 Slender shoot
- 39 Valuable hardwood
- 42 Spud
- 43 Naturalness
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- 45 Tiny earthmover
- 46 Junior birdman
- 48 Lexicons
- 50 Discs for the disco set
- 53 Tot's "piggy"
- 54 Ursuline, e.g.
- 55 Spreads for breads
- 57 Schedule abbr.

DOWN

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WEATHER

ALGARVE	HIGH	LOW	C	F	CLOUDY	HOT	WINDY	WET	MADRIS	
									C	F
AMSTERDAM	72	67	70	70	Partly	80	41	Partly	70	50
ANKARA	86	75	86	86	Cloudy	90	50	Cloudy	86	75
ATHENS	86	75	86	86	Cloudy	90	50	Cloudy	86	75
AUCKLAND	61	51	71	71	Cloudy	72	40	Cloudy	61	51
BAMAKO	86	75	86	86	Cloudy	90	50	Cloudy	86	75
BEIRUT	86	75	86	86	Cloudy	90	50	Cloudy	86	75
BELGRADE	72	61	72	72	Cloudy	73	40	Cloudy	72	61
BERLIN	86	75	86	86	Cloudy	90	50	Cloudy	86	75
BOSTON	72	61	72	72	Cloudy	73	40	Cloudy	72	61
BRUSSELS	72	61	72	72	Cloudy	73	40	Cloudy	72	61
BUCHAREST	77	66	72	72	Cloudy	82	50	Cloudy	77	66
BUDAPEST	75	64	72	72	Cloudy	80	40	Cloudy	75	64
BUENOS AIRES	68	57	68	68	Cloudy	70	30	Cloudy	68	57
CAGLIARI	77	66	72	72	Cloudy	82	50	Cloudy	77	66
CASABLANCA	77	66	72	72	Cloudy	82	50	Cloudy	77	66
CHICAGO	64	53	72	72	Cloudy	70	30	Cloudy	64	53
COPENHAGEN	68	57	68	68	Cloudy	70	30	Cloudy	68	57
COSTA DEL SOL	86	75	86	86	Cloudy	90	50	Cloudy	86	75
DAMASCUS	77	66	72	72	Cloudy	82	50	Cloudy	77	66
DUBLIN	77	66	72	72	Cloudy	82	50	Cloudy	77	66
EDIMBURGH	66	55	72	72	Cloudy	70	30	Cloudy	66	55
FLORENCE	72	61	72	72	Cloudy	73	40	Cloudy	72	61
FRANKFURT	72	61	72	72	Cloudy	73	40	Cloudy	72	61
GENEVA	75	64	72	72	Cloudy	77	50	Cloudy	75	64
HELSINKI	70	59	72	72	Cloudy	75	40	Cloudy	70	59
HONG KONG	82	71	82	82	Cloudy	88	50	Cloudy	82	71
HONG KONG	82	71	82	82	Cloudy	88	50	Cloudy	82	71
ISTANBUL	66	55	72	72	Cloudy	70	30	Cloudy	66	55
JERUSALEM	84	73	84	84	Cloudy	89	50	Cloudy	84	73
LAS PALMAS	79	68	72	72	Cloudy	84	50	Cloudy	79	68
LIMA	76	65	72	72	Cloudy	81	40	Cloudy	76	65
LONDON	72	61	72	72	Cloudy	73	40	Cloudy	72	61
LOS ANGELES	82	71	82	82	Cloudy	88	50	Cloudy	82	71
MANCHESTER	72	61	72	72	Cloudy	73	40	Cloudy	72	61
MOSCOW	72	61	72	72	Cloudy	73	40	Cloudy	72	61
PARIS	72	61	72	72	Cloudy	73	40	Cloudy	72	61
PRAGUE	72	61	72	72	Cloudy	73	40	Cloudy	72	61
REykjavik	72	61	72	72	Cloudy	73	40	Cloudy	72	61
ROMA	72	61	72	72	Cloudy	73	40	Cloudy	72	61
SAO PAULO	72	61	72	72	Cloudy	73	40	Cloudy	72	61
SINGAPORE	72	61	72	72	Cloudy	73	40	Cloudy	72	61
STOCKHOLM	72	61	72	72	Cloudy	73	40	Cloudy	72	61
TOKYO	72	61	72	72	Cloudy	73	40	Cloudy	72	61
VIENNA	72	61	72	72	Cloudy	73	40	Cloudy	72	61
WANSHA	72	61	72	72	Cloudy	73	40	Cloudy	72	61
WASHINGTOM	72	61	72	72	Cloudy	73	40	Cloudy	72	61
ZURICH	72	61	72	72	Cloudy	73	40	Cloudy	72	61

ADVERTISEMENT
INTERNATIONAL FUNDS

July 6, 1981

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on market prices. The following symbols are used: (a) — monthly; (b) — quarterly; (c) — semi-annually; (d) — annually; (e) — weekly; (f) — monthly; (g) — quarterly; (h) — annually.

Other Funds

(a) Alliance Int'l/c Bk of Bermuda-Bermuda

(b) Alliance Int'l/c Bk of Bermuda-Bermuda

(c) Bankers Trust Int'l/c Bk of Berm

(d) Bankers Trust Int'l/c Bk of Berm

(e) Bankers Trust Int'l/c Bk of Berm

(f) Bankers Trust Int'l/c Bk of Berm

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(h) Bankers Trust Int'l/c Bk of Berm

(i) Bankers Trust Int'l/c Bk of Berm

(j) Bankers Trust Int'l/c Bk of Berm

(k) Bankers Trust Int'l/c Bk of Berm

(l) Bankers Trust Int'l/c Bk of Berm

(m) Bankers Trust Int'l/c Bk of Berm

(n) Bankers Trust Int'l/c Bk of Berm

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(u) Bankers Trust Int'l/c Bk of Berm

(v) Bankers Trust Int'l/c Bk of Berm

(w) Bankers Trust Int'l/c Bk of Berm

(x) Bankers Trust Int'l/c Bk of Berm

(y) Bankers Trust Int'l/c Bk of Berm

(z) Bankers Trust Int'l/c Bk of Berm

(aa) Bankers Trust Int'l/c Bk of Berm

(bb) Bankers Trust Int'l/c Bk of Berm

(cc) Bankers Trust Int'l/c Bk of Berm

(dd) Bankers Trust Int'l/c Bk of Berm

(ee) Bankers Trust Int'l/c Bk of Berm

(ff) Bankers Trust Int'l/c Bk of Berm

(gg) Bankers Trust Int'l/c Bk of Berm

(hh) Bankers Trust Int'l/c Bk of Berm

(ii) Bankers Trust Int'l/c Bk of Berm

(jj) Bankers Trust Int'l/c Bk of Berm

(kk) Bankers Trust Int'l/c Bk of Berm

(ll) Bankers Trust Int'l/c Bk of Berm

(mm) Bankers Trust Int'l/c Bk of Berm

(nn) Bankers Trust Int'l/c Bk of Berm

(oo) Bankers Trust Int'l/c Bk of Berm

(pp) Bankers Trust Int'l/c Bk of Berm

(qq) Bankers Trust Int'l/c Bk of Berm

Yankee Boss Seeks To Air Suggestions On Baseball Strike

By Jane Gross
New York Times Service

NEW YORK — George Steinbrenner, principal owner of the New York Yankees, plans to request a meeting Monday with Ray Greene and Lee MacPhail to present his proposals for settling the 24-day baseball strike.

"There has been open to suggestion that I just haven't made a move on the pool proposal," Steinbrenner said Sunday after appearing on the CBS-TV program "Face the Nation" with Rusty Staub, the New York Mets' representative. "I don't propose to be a genius and I don't have all the answers, but maybe I can do some things that will help. I've been hibernating for two days working on something, and now I'll take it upon myself to give some comments to Lee and Ray."

Staub, one of several players who have been involved in negotiations, doubted that Grebe, the owner's chief negotiator, and MacPhail, the American League president, would be influenced by Steinbrenner's suggestions. "They look at George as one of the people they're fighting," Staub said.

Last week, there were indications that Steinbrenner was seeking to convene a meeting of the 26 major league owners, a process which requires a request from three owners in the same league. Although Steinbrenner is joined in his impatience by Eddie Chiles of the Texas Rangers, Edward Bennett Williams of the Baltimore Orioles and perhaps others, he seems to have abandoned that approach in favor of a private meeting with Grebe and MacPhail.

Steinbrenner's comments on "Face the Nation" centered on his objections to the current system of free-agent compensation and to the players' pool proposal, and he declined to describe the suggestions that he plans to make to Grebe and MacPhail. He did say, however, that he anticipated "some movement this week" and that "with the right set of circumstances" the issues should be easily resolved.

Muldoon Urges Reflection Over Springbok Tour

United Press International

WELLINGTON, New Zealand — Prime Minister Robert Muldoon Monday urged the nation's rugby union to "think well" before allowing the proposed South African rugby tour to go ahead as scheduled.

In a nationally televised speech, Muldoon said that he was not asking the rugby union to call off the tour, which is scheduled to begin on July 22. But he said: "What I say to you tonight is my last approach to the New Zealand Rugby Union in respect of the Springbok tour. As to the tour, the issue now rests with the New Zealand Rugby Union and I say to them, think well before you make your decision."

Muldoon said that the vast majority of New Zealanders abhor apartheid and racial discrimination wherever it arises.

In Dar Es Salaam, meanwhile, Radio Tanzania reported that the Australian transport minister, Ralph Hunt, has assured President Julius Nyerere of Tanzania that Australia will deny transit facilities to the Springboks.

There are no direct flights from South Africa to New Zealand. The normal route involves changing planes in Australia.

Bed Smith

In Congress, Some Sporting Discontent

New York Times Service

NEW YORK — Two bills bearing directly on professional sports are under consideration by the House subcommittee on monopolies and commercial law. One would eliminate baseball's treasured exemption from antitrust law; the other would, in effect, prohibit Al Davis from moving the Oakland Raiders to Los Angeles.

The motive behind the latter bill is not difficult to divine. It was proposed by Rep. Fortney H. Stark Jr. and Rep. Don Edwards. Both represent Alameda County, California, where the populous has been buying out the Oakland Alameda County Coliseum for nearly a decade. Stark is from Oakland, Edwards from San Jose, both are Democrats.

Eleven members of Congress are sponsoring the bill to bring baseball under the umbrella of the Sherman and Clayton Acts. There is no simple geographic explanation for their position, for although all are Democrats, they represent constituencies from California to New York. Usually when politicians make threatening sounds about antitrust law, they are just trying to browbeat the local club out of free tickets, but there isn't a local club in Washington these days.

Can it be that the lawmakers are so angry at the baseball club owners for provoking a strike and stonewalling at the bargaining table that they have taken this means of punishing them? Or are the Capitol Hill Elephants all pals of Edward Bennett Williams, the Washington lawyer who owns the Baltimore Orioles and opposes his peers' campaign to bust the players' union?

For the record, sponsors of the bill are Reps. John F. Seibeling and Louis Stokes of Ohio; Anthony C. Beilenson, Henry A. Waxman, Edward R. Roybal, Julian C. Dixon and Mervyn M. Dymally of California; George W. Crockett, Michigan; Cardiss Collins, Illinois; Parren J. Mitchell, Maryland, and Robert Garcia, New York.

The Holmes Decision

Immunity to antitrust law has enabled baseball to make and enforce its own laws for decades, without respect for civil law. As a judge said many years ago, baseball is the nearest thing to a perfect monopoly that man has created. Its monopolistic practices, its blacklist, its "gentlemen's agreements" and the obnoxious reserve system that bound employees for life — none of these could have survived scrutiny in the federal courts.

There never was any valid reason why baseball, alone among professional sports, should be exempt from the Sherman and Clayton laws. Justice Oliver Wendell Holmes wrote a bad law in 1922 when he

"We have to negotiate to get something more than a draft choice," Steinbrenner said. "That, to my way of thinking, hasn't worked. I have been a big user of free agency and I'm talking against myself in some sense, but it's only fair to give a good player back when I take a good player from another team."

Compromise Area

Steinbrenner was asked what was objectionable about the pool proposal, which the players say will prevent a team signing a free agent from being directly penalized. "If you just want to enter the draft," Steinbrenner said, "then you have to put a player in the pool. You may not even get any body out of the draft, but you may lose a player."

Steinbrenner's comment suggested an area of compromise within the pool system proposal, whereby teams would not be required to place a player in the pool until after they had signed a free agent.

Steinbrenner also suggested that the cast of characters at the negotiating table be limited and perhaps altered. "I have always thought that a camel is a horse created by a committee," he said. "The problem you've got is too many guys coming in and out who don't know what they're doing in labor negotiations. The democratic process is wonderful, but it never works in labor negotiations."

Amidosity Evident

So far, a group of players has participated in the talks while the owners have been represented by Grebe, the two league presidents and their lawyers. Steinbrenner and Staub agreed Sunday that an unmanageable amount of amidosity had built up between the participants, but they differed somewhat in how to improve the atmosphere. Staub said that "with those guys involved, I don't see any chance."

Steinbrenner defended the performance of Grebe but said "it might be a possibility" that his absence would reduce the tension. "That's just a thought," Steinbrenner said. "I'm certainly not the one doing that."

Steinbrenner and Staub affably traded ideas before the telecast, at the CBS Broadcast Center in New York. They informally discussed expanding the number of players a team could protect from 15 to more than 30 and combining cash and draft choices as compensation. After the show, they retired to a private dressing room and continued their conversation for about 15 minutes.

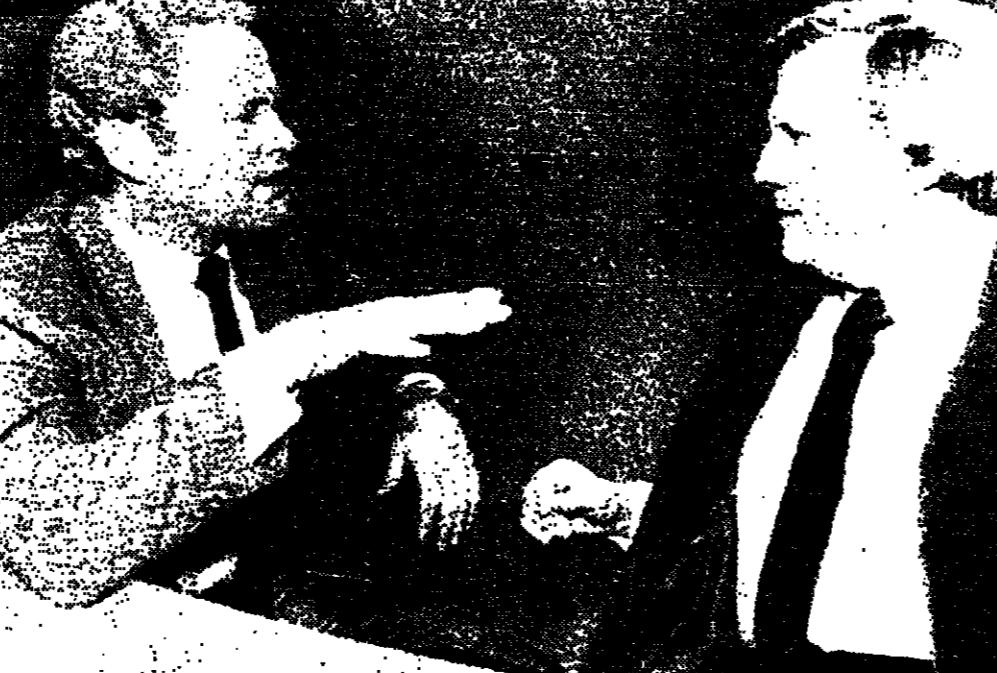
All-Star Decision

NEW YORK (UPI) — Although major league baseball officials say playing the all-star game is "not impossible," they will make the official decision this week whether to cancel the traditional contest.

Bob Witz, a spokesman for Kuhn, said Monday that the major league Executive Council would meet this week to make a final decision on the game, which is scheduled for July 14 in Cleveland.

The 25-day players' strike has shown no signs of quick resolution, and players have said they would need several days to get back in shape. The game is just eight days off.

"It's on a day-to-day basis now," Witz said. "As of now, it's on. It's not off. We think it's not impossible."



George Steinbrenner (right), the Yankees' principal owner, listens to a comment by Rusty Staub, who plays for the New York Mets, following their joint appearance on a U.S. television program.

After 17 Years, Smith and Lutz Still a Good Tennis Partnership

By Neil Amdur
New York Times Service

WIMBLEDON, England — After 17 years, the tennis partnership that a camel is a horse created by a committee," he said. "The problem you've got is too many guys coming in and out who don't know what they're doing in labor negotiations. The democratic process is wonderful, but it never works in labor negotiations."

"Doubles is like a marriage," Smith continued. "There are times when we aren't really up for a match and aren't playing our best. But we accept each other for our own strengths and weaknesses and don't try to change the other person or get too involved in harping on the other person's weaknesses."

"You really have to get along," Lutz said. "A lot of good teams have broken up because one player thought he was better than the other, but it was either that or no money."

Making a partnership work in doubles is difficult at all levels. Two good singles players may not be suited, in temperament or styles, as a team.

"I think it's more important that both players have a feel as doubles than as partners," said Smith, who lost three first-round matches with Lutz in Grand Prix tournaments this year before the pair regained its form at Wimbledon. "When you've been in a tight match, it's important knowing both players have been there."

Good Chemistry

"They work well and respect each other," said Arthur Ashe, the U.S. captain, who has known the pair for 21 years. "There is a very good chemistry there, and the communication is good."

Lutz and Smith were not Ashe's No. 1 team for this series. He had initially selected Gene and Sandy Mayer, but a pre-Wimbledon injury to Gene forced Ashe to revise his choice.

Ashe said he bypassed the Wimbledon champions, McEnroe and Fleming, for three reasons: Fleming admittedly has not been playing consistently well; with Ivan Lendl a threat, Ashe wanted to keep McEnroe, who will team with Jimmy Connors in singles, as fresh as possible for the third day, and Smith and Lutz have played together a long time. "That's a very big plus," said Ashe, who won more singles matches in the Davis Cup, 27, than any other American player.

Money Talks

Smith has won 19 Davis Cup doubles matches, second only to John Van Ryn among American players. With the exception of a period when Lutz was ineligible as a contract pro and also sidelined with knee problems, they have played matches together all over the world, after having been first paired, not by choice, but by a

matchmaker, Perry T. Jones, a one-time force in Southern California tennis.

"I was a senior in high school and Stan had won the national juniors in 1964," Lutz recalled during an interview before the Wimbledon men's doubles final. "I really wanted to play with Stan and Peter Fleming."

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